

In the Matter of:)
)
Application for)
Certification for the) Docket No. 97-AFC-1
HIGH DESERT POWER PROJECT)
)

THURSDAY, SEPTEMBER 30, 1999

10:00 A.M.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

Robert Laurie, Presiding Member

David Rohy, Vice Chairman, Associate Member

STAFF PRESENT

Stanley Valkosky, Hearing Officer

Bob Eller, Adviser to Vice Chairman Rohy

Caryn Holmes, Staff Counsel

Richard Buell, Project Manager

Eileen Allen, Project Manager

Keith Golden

David Flores

Amanda Stennick

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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

INTERVENORS PRESENT

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Suzanne Reynolds, Attorney
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ALSO PRESENT

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1 P R O C E E D I N G S

2 10:00 a.m.

3 PRESIDING MEMBER LAURIE: This is the
4 continued evidentiary hearing on the High Desert
5 Project.

6 Commissioner Rohy, do you have any
7 opening comments?

8 VICE CHAIRMAN ROHY: I have no opening
9 comments, thank you.

10 PRESIDING MEMBER LAURIE: The matter
11 will be turned over to Mr. Valkosky for opening
12 comments. And Mr. Valkosky will administer the
13 proceeding today. Mr. Valkosky.

14 HEARING OFFICER VALKOSKY: Thank you,
15 Commissioner Laurie. First, I'd like the parties
16 present at the tables to introduce themselves for
17 the record. Mr. Bettwy.

18 MR. BETTWY: Thank you. Good morning,
19 my name is Andrew Bettwy. I'm with Southwest Gas
20 Corporation.

21 MR. BARNETT: I'm Tom Barnett, I'm the
22 Project Manager for High Desert Power Project.

23 MR. THOMPSON: Allan Thompson, counsel
24 to High Desert.

25 MR. BUELL: Rick Buell with the

1 California Energy Commission Staff.

2 MS. HOLMES: Caryn Holmes, Staff
3 Counsel.

4 MS. REYNOLDS: Suzanne Reynolds,
5 attorney for CURE.

6 MR. LEDFORD: Gary Ledford, Intervenor,
7 in pro per.

8 HEARING OFFICER VALKOSKY: Thank you.
9 As Commissioner Laurie stated, today's hearing is
10 the second in a series of evidentiary hearings
11 that we scheduled in a notice and order of July
12 16th, which was followed by a revised notice and
13 order of September 2nd. The procedures we used at
14 the September 16th evidentiary hearing will also
15 be used today.

16 Topics on today's agenda are traffic and
17 transportation, socioeconomic, alternatives and
18 construction and operation of the second natural
19 gas pipeline. There are copies of the agenda on
20 the table in the rear.

21 Documents pertinent to today's topics
22 are reflected on a tentative list of exhibits and
23 include the AFC, Staff Assessment, Supplemental
24 Testimony filed by Staff on Traffic and
25 Alternatives, Applicant's Individual Testimonies

1 and Declarations, CURE's testimony and Mr.
2 Ledford's Rebuttal Testimony on Socioeconomics,
3 and Southwest Gas' Testimony on Pipeline
4 Construction and Operation.

5 Briefly the procedures we'll use today
6 is first the Applicant, then Staff, followed by
7 the Intervenors, will be provided an opportunity
8 to present evidence on each topic. Each party's
9 presentation will be followed by cross, redirect
10 and recross-examinations, as appropriate.

11 At the conclusion of each topic area we
12 will invite any members of the public to offer
13 unsworn public comment.

14 Are there any questions on the
15 procedure?

16 Okay. By way of housekeeping, I
17 understand from Ms. Reynolds that CURE's
18 testimony, Mr. Hughes -- CURE's witness, Mr.
19 Hughes, on socioeconomics is unavailable to
20 testify. And that CURE would like that witness
21 and the accompanying testimony moved to the next
22 hearing date. Is that correct, Ms. Reynolds?

23 MS. REYNOLDS: That's correct. Mr.
24 Hughes is very ill, and so we were hoping we could
25 postpone that a week.

1 HEARING OFFICER VALKOSKY: Okay. Are
2 there any objections to having Mr. Hughes testify
3 on October 7th, which is our next hearing date in
4 Victorville?

5 MR. THOMPSON: We have no objections.
6 And further, we don't have any cross, if that
7 becomes pertinent to any later discussions.

8 HEARING OFFICER VALKOSKY: Okay. Mr.
9 Ledford, you have submitted testimony which is
10 entitled rebuttal to that of Mr. Hughes
11 essentially. I'll give you the option, you can
12 either present your testimony today, or you can
13 follow Mr. Hughes on the 7th, which would you
14 prefer?

15 MR. LEDFORD: Well, in the fairness of
16 time I think that maybe we might want to do it
17 today. I would like to reserve the opportunity to
18 have some follow-on after his testimony.

19 So, if anybody wants to cross-examine me
20 on my testimony today, which I think that CURE may
21 want to, or staff, I'm not sure.

22 HEARING OFFICER VALKOSKY: Okay, so
23 you --

24 MR. LEDFORD: So I'm just saying I think
25 next week is going to be a busy week, and --

1 HEARING OFFICER VALKOSKY: Okay, so you
2 prefer to go forth today, then?

3 MR. LEDFORD: I would be happy to
4 utilize the time today as opposed to next week on
5 this topic.

6 HEARING OFFICER VALKOSKY: Okay, fine.

7 Second in the order of housekeeping, it
8 has come to my attention that there is a certain
9 sentiment for beginning next week's hearings in
10 Victorville at 9:00 a.m. Is there any objection
11 to doing that?

12 MR. THOMPSON: None from Applicant.

13 MS. HOLMES: No.

14 MS. REYNOLDS: No.

15 MR. LEDFORD: None from myself. I'd
16 like to make sure that somebody's going to notice
17 it in the paper down there, so that the public's
18 on notice.

19 HEARING OFFICER VALKOSKY: Well, I don't
20 think -- we'll certainly put out a notice. I
21 don't know that it will be able to get into the
22 paper in this short a timeframe, frankly.

23 MR. LEDFORD: That would be my only
24 concern that the public wasn't adequately notified
25 of the time change.

1 HEARING OFFICER VALKOSKY: Well, the
2 public --

3 MR. LEDFORD: It's not a problem for me.

4 HEARING OFFICER VALKOSKY: No, I mean
5 the public will -- we will be there to take
6 comment well past the 9:00 a.m. start.

7 MR. LEDFORD: Fine.

8 HEARING OFFICER VALKOSKY: Okay, we'll
9 start those at 9:00 a.m. next Thursday and Friday.
10 I'll get out a notice to our list on that today.

11 And finally, before we begin, provided
12 everyone with a copy of our work in progress, a
13 tentative exhibit list, which was revised on the
14 27th. That reflects the identification of the
15 exhibits and the admission, as I have it
16 currently. Are there any corrections to that
17 list?

18 MR. THOMPSON: I have about ten
19 documents that should have been admitted into the
20 record on the 16th, and if I failed to mention
21 those numbers at the time, the witnesses or the
22 witness declarations were complete, I'd like to do
23 that now. Or, at your convenience.

24 HEARING OFFICER VALKOSKY: Okay, why
25 don't we do it right now.

1 MR. THOMPSON: All right, if I just read
2 off the numbers, or --

3 HEARING OFFICER VALKOSKY: That would be
4 fine.

5 MR. THOMPSON: Okay, let me try and do
6 this in numerical order; 4, 7, 13, 16, 26, 27, 28,
7 30, 34 and 45.

8 HEARING OFFICER VALKOSKY: Are there any
9 objections to admitting those exhibits into
10 evidence from any of the parties?

11 Ms. Holmes?

12 MS. HOLMES: No objection.

13 HEARING OFFICER VALKOSKY: Ms. Reynolds?

14 MS. REYNOLDS: No objections.

15 HEARING OFFICER VALKOSKY: Mr. Ledford?

16 MR. LEDFORD: No objections.

17 HEARING OFFICER VALKOSKY: Okay, we'll
18 admit those.

19 (Whereupon, exhibits 4, 7, 13, 16, 26,
20 27, 28, 30, 34 and 45 were received in
21 evidence.)

22 HEARING OFFICER VALKOSKY: Okay,
23 anything else on the exhibit list, Mr. Thompson?

24 MR. THOMPSON: No. I do have some
25 preliminary matters on witnesses, but not on the

1 exhibit list.

2 HEARING OFFICER VALKOSKY: Okay. Ms.
3 Holmes, anything on the exhibit list?

4 MS. HOLMES: No.

5 HEARING OFFICER VALKOSKY: Ms. Reynolds?

6 MS. REYNOLDS: No.

7 HEARING OFFICER VALKOSKY: Mr. Ledford?

8 MR. LEDFORD: No.

9 HEARING OFFICER VALKOSKY: All right,
10 fine.

11 MR. LEDFORD: I do have a matter of I
12 suppose unfinished housekeeping that would deal
13 with this exhibit list, though, and that was the
14 underlying EIR issue.

15 HEARING OFFICER VALKOSKY: Okay, we can
16 address that now. As I understand it, where we
17 left it, staff was to provide you, or make
18 available to you their copy of the underlying EIR.

19 Staff has since informed the parties
20 that they did not, in fact, have such a copy. And
21 that's, I believe, the last formal discussions we
22 had on it.

23 MR. LEDFORD: I brought a copy of the
24 transcript of those pages that you may want to
25 review at some point. But my understanding was

1 that they were going to provide me a copy. What I
2 had attempted to do was get staff to put that in
3 as an underlying exhibit, since it's been
4 referenced in their testimony, interlaced
5 throughout the exhibit.

6 And my position here, relative to this
7 project, is it's a subsequent project to that EIR.
8 In other words, the Base reuse EIR was the
9 fundamental underlying document for VEDA's reuse
10 of the Air Force Base, plus some additional
11 property that went into the economic development
12 authority's jurisdiction, for which a number of
13 the projects that High Desert Power is proposing,
14 and I say projects collectively, because some of
15 those projects are projects that should have
16 individual CEQA analysis. For instance, the well
17 fields that are going to be done by the Victor
18 Valley Water District and some specific issues
19 that relate to those.

20 You have cumulative impacts once you
21 have the Base reuse EIR when you introduce a new
22 project that has not been addressed by that EIR.
23 And, to the best of my knowledge, I haven't been
24 able to find anyplace in that EIR or its
25 appendices that even suggested a power plant.

1 So, when you bring in a power plant into
2 a new project area, then you have to use that
3 document. And staff has used it, at least certain
4 parts of the staff have used it --

5 HEARING OFFICER VALKOSKY: Okay, but the
6 question, at least as I recall it, was you
7 selecting portions of that document for us to
8 identify as an exhibit. And I believe we reserved
9 exhibit 116 for that.

10 MR. LEDFORD: Right. I mean, if I can,
11 I don't know if you've had an opportunity to read
12 the transcript --

13 HEARING OFFICER VALKOSKY: I haven't.

14 MR. LEDFORD: -- but I brought it, so.
15 I brought -- downloaded those pages off the
16 internet

17 And my understanding was that staff was
18 going to provide the EIR to me, and then I would
19 identify, since I had not seen -- I have seen the
20 draft EIR, which I brought that with me. I have
21 not seen the final EIR, and that was discussed
22 here.

23 And my belief is that the final EIR is
24 the appendices, which CURE was kind enough to send
25 to me. And so I have that with me, as well.

1 The appendices are the comments section.
2 And there are many many many pages that deal with
3 the comments on this EIR, and many of those pages
4 relate to water.

5 The EIR and its substance -- the
6 underlying EIR and its substance, in my thought
7 process of this, as we went along, because water
8 interlaces at so many different pieces, as we saw
9 last time. It's probably that the entire
10 environmental document should be a part of this
11 record.

12 And especially if we're looking at, and
13 if we're going to look at it more significantly
14 next week, how those cumulative impacts of what
15 was studied in the underlying EIR affect the
16 additional impacts of this proposed project.

17 And then how those mitigation measures
18 that are currently being proposed actually work
19 for the whole. Because you can't look at this
20 project in a vacuum, which is again one of my
21 positions in this case.

22 So, my problem is my understanding was
23 that I was going to be provided the document from
24 staff. And I was going to identify which part of
25 the document should be copied and put in the

1 record. And then staff was going to do that and
2 circulate it. Now, that was my understanding.

3 When staff finally said we don't have
4 it, which seems pretty strange that the entire CEC
5 Staff, who references this underlying document as
6 a part of this whole project, doesn't have this
7 document. That seems pretty strange. But they
8 say they don't have it.

9 Now, it's up to me to go to some public
10 source and find it, myself. That seems pretty
11 strange.

12 I did get it a couple days ago. I
13 brought it with me. I think that the entire
14 document should be put in the record. And I think
15 it's something that the CEC should deal with, not
16 me.

17 HEARING OFFICER VALKOSKY: Okay, so in
18 point of fact, you do have the document?

19 MR. LEDFORD: I do have it.

20 HEARING OFFICER VALKOSKY: Okay. And
21 then that will be the document that you want
22 identified as exhibit 116?

23 MR. LEDFORD: That's also correct.

24 HEARING OFFICER VALKOSKY: Okay. And
25 when will you provide copies or portions of this?

1 MR. LEDFORD: So, it's -- well, that's
2 what I'm looking for, is a determination. It's
3 your determination that the public has the
4 obligation to put this document into the record
5 when the staff's report actually references this
6 document?

7 HEARING OFFICER VALKOSKY: Well, I --

8 MR. LEDFORD: I just don't think that
9 that is --

10 HEARING OFFICER VALKOSKY: Excuse me, --

11 MR. LEDFORD: -- a fair analysis.

12 HEARING OFFICER VALKOSKY: -- Mr. Buell,
13 as I understood, both from Mr. Ledford and from
14 previous emails, staff does not have a copy of
15 that document, is that correct?

16 MR. BUELL: That's correct, staff does
17 not have a copy of the EIR.

18 MR. LEDFORD: This is the document.

19 HEARING OFFICER VALKOSKY: Okay.

20 PRESIDING MEMBER LAURIE: Mr. Valkosky,
21 question for you. The environmental analysis
22 conducted by staff relied, in part, on information
23 contained in another environmental document, is
24 that correct?

25 HEARING OFFICER VALKOSKY: That's as I

1 understand it, yes.

2 PRESIDING MEMBER LAURIE: Staff's
3 environmental analysis is, nevertheless, an
4 independent environmental analysis, and is not
5 deemed in the same category as a subsequent or
6 supplemental environmental analysis to an earlier
7 prepared document, is that correct?

8 HEARING OFFICER VALKOSKY: Correct.
9 Staff's environmental analysis is its own version,
10 its own independent analysis. Was not necessarily
11 anticipated at the time of the preparation of the
12 George Air Force Base EIR.

13 PRESIDING MEMBER LAURIE: I think in my
14 mind I would distinguish between the two
15 instances. If, in fact, staff's environmental
16 analysis was a supplemental environmental analysis
17 to an existing document, then the existing
18 document must, of course, be brought forward in
19 toto.

20 Where staff's environmental analysis is
21 dependent, however, on facts contained in another
22 environmental document, then I would look to
23 foundational documentation supporting those facts,
24 which are part and parcel of the previous
25 document.

1 If any party wishes to submit
2 documentation then it's the party's obligation to
3 put the documentation forward. And if it's deemed
4 relevant and unobjectionable, then the Committee
5 would likely consider that.

6 From a legal perspective, do you have
7 any different view?

8 HEARING OFFICER VALKOSKY: No, I don't.
9 I believe that's the situation we're faced with
10 here. A party is proposing to enter an exhibit.
11 Under our regulations, it's fundamentally the
12 party's obligation to provide copies of the
13 information, the exhibit.

14 PRESIDING MEMBER LAURIE: And I concur
15 with that.

16 MR. LEDFORD: Can I draw the
17 Commission's attention to -- I don't know what the
18 procedure for doing this is, but the transcript of
19 the hearing was, and if I can read it, --

20 HEARING OFFICER VALKOSKY: Go ahead.

21 MR. LEDFORD: -- there's only maybe two
22 pages here.

23 I had requested of Mr. Buell whether or
24 not that he had a copy of the document. And he
25 said -- this starts at page 76, line 17:

1 "I said I don't have the document, but I
2 would assume that staff has the
3 document. It is a public record and I
4 would like to know if it is possible
5 that staff could provide the document so
6 that it could be entered into evidence.

7 HEARING OFFICER VALKOSKY:" -- and you're
8 asking Mr. Buell, "Do you have the document?" Mr.
9 Buell states, "I believe I have a copy in my
10 office, and I can provide that if it is indeed in
11 my office."

12 And I say, "Well, it is referred to in
13 other sections. You don't refer to it
14 specifically in your part of this document, but
15 other members of your staff have referred to the
16 document."

17 The answer, "And I -- it would be a
18 matter of tracking it down. I'm not sure. I
19 believe it is in my office. It may be that one of
20 the staff has it. That can take time to obtain,
21 but certainly we can do that."

22 And then I said, "In an effort to save
23 time would it be appropriate that we ask that the
24 document be provided by staff at the October 7th
25 hearing, and that we could admit it into evidence

1 at that time.

2 And Hearing Officer Valkosky states,
3 "Can you do that?" And Mr. Buell says, "I believe
4 so." And I said, "Would that help?" And
5 Commissioner Laurie says, "Well, let me ask Mr.
6 Valkosky a question. Are you talking about the
7 EIR?"

8 And I said, "I'm talking about the
9 underlying EIR for the Base reuse, the VEDA Base
10 reuse which would be the functional equivalent
11 document that would have been -- should have been
12 reviewed and made a part of the underpinning of
13 this project. "

14 "PRESIDING MEMBER LAURIE: Mr. Valkosky,
15 how many copies do you need of the
16 proposed exhibit?"

17 "HEARING OFFICER VALKOSKY: Ideally
18 everyone on the proof of service gets
19 one."

20 "PRESIDING MEMBER LAURIE: Well, the EIR
21 is --"

22 "HEARING OFFICER VALKOSKY: As well as
23 the docket.

24 "PRESIDING MEMBER LAURIE: Probably
25 what, a 500-page document?

1 "MS. HOLMES: It's quite an extensive
2 document.

3 "MR. LEDFORD: It's probably longer.

4 "PRESIDING MEMBER LAURIE: Are there any
5 specific sections that you're interested
6 in?

7 "MR. LEDFORD: Well, the issues within
8 that document are cumulative impacts,
9 and there are several, several areas
10 that relate to cumulative impacts.
11 Water, of course, if my focus. The
12 litigation over the lawsuit was focused
13 on water. And there was a settlement
14 agreement. I will be introducing those
15 documents later.

16 "HEARING OFFICER VALKOSKY: Right. Can
17 you, since staff has indicated that they
18 believe they have a copy of it, and will
19 provide it, can you specifically
20 identify those sections or pages rather
21 than --

22 "MR. LEDFORD: Yes, I --

23 "HEARING OFFICER VALKOSKY: -- intro-
24 ducing an additional burden of having
25 this massive mailing list?

1 "MR. LEDFORD: Yes, I can. I can do it
2 to this extent. I have the draft EIR,
3 which is not the final certified EIR,
4 but I believe the staff has the final
5 certified EIR.

6 "HEARING OFFICER VALKOSKY: Staff, staff
7 could make the final available to you
8 for inspection and you can indicate
9 which --

10 "MR. LEDFORD: I would.

11 "HEARING OFFICER VALKOSKY: -- portions
12 of it you are interested in.

13 "MR. LEDFORD: I would be happy to do
14 that. Thank you."

15 This is the way it was left.

16 HEARING OFFICER VALKOSKY: Right, and
17 that's --

18 MR. LEDFORD: It's my understanding that
19 staff was going to advance this document into
20 evidence. I was only going to make it easier by
21 saying if I could reduce the amount of that
22 document that would go into evidence --

23 HEARING OFFICER VALKOSKY: No, I think,
24 I think your understanding was incorrect. The
25 understanding was, at least the understanding I

1 believe the Committee had, certainly the
2 understanding I had, was that if staff had a copy
3 of the document available, which Mr. Buell had
4 indicated he believed was the case, they, staff,
5 would make the copy available to you.

6 You, in turn, would use that resource to
7 select the parts of that document that you wished
8 to identify as the exhibit.

9 Now, from what I've heard today,
10 staff -- Mr. Buell is in error, and staff did not
11 have the document available.

12 MR. LEDFORD: Apparently that's the
13 case.

14 HEARING OFFICER VALKOSKY: Yes. So, I
15 mean you still have the option to submit all of
16 it, or part of it. And that, sir, is your choice.

17 MR. LEDFORD: And in order to introduce
18 this document I am required to serve the entire
19 service list?

20 HEARING OFFICER VALKOSKY: That is
21 correct.

22 MR. THOMPSON: Mr. Valkosky, if I may
23 jump in here for a minute? We, the Applicant,
24 don't know the extent of staff reliance on
25 portions of this document, or all of the document,

1 whether it was just another reference for the
2 reader to read, we don't know and we leave that to
3 staff.

4 However, if it would help we would be
5 amenable to the Committee taking official notice
6 of the document. And then Mr. Ledford taking
7 pages out of that to serve on the parties.

8 He apparently now has the document, or
9 has access to the document. We would also be
10 amenable to, if he wants to file it before the
11 next set of hearings, just so long as we have a
12 day or two before the hearings. We would be
13 agreeable to procedures that would allow him to do
14 that.

15 HEARING OFFICER VALKOSKY: Yeah, and I
16 think that's fundamentally the -- fundamentally
17 consistent with the Committee direction.

18 MR. LEDFORD: What's my deadline for
19 filing, then?

20 HEARING OFFICER VALKOSKY: Well, at the
21 hearings you will introduce or attempt to
22 introduce that as of the hearing on the 7th, which
23 is next Wednesday. Next Thursday.

24 MR. LEDFORD: Thursday.

25 HEARING OFFICER VALKOSKY: I'm sorry.

1 MS. HOLMES: Don't scare us like that,
2 Mr. Valkosky.

3 (Laughter.)

4 HEARING OFFICER VALKOSKY: You're not
5 the only one that got scared, Ms. Holmes.

6 Okay, tomorrow would be most preferable.
7 I understand -- are there any objections to having
8 it filed as late as Monday?

9 MR. THOMPSON: None from Applicant.

10 MS. HOLMES: None from staff.

11 MS. REYNOLDS: None from CURE.

12 HEARING OFFICER VALKOSKY: Okay, Monday
13 it is.

14 PRESIDING MEMBER LAURIE: Mr. Valkosky,
15 let me confirm an understanding. The issue of
16 relevancy, as far as I'm concerned, the additional
17 document is twofold. One, the extent to which
18 staff relied on particular portions of that
19 document are relevant. So, if it is cited then
20 the documents cited are relevant documents to me.

21 It may also be relevant if there are
22 other portions of the document containing facts
23 not contained in our environmental analysis, but
24 relevant to this proceeding. Then that
25 information, too, may be relevant.

1 Now, if Mr. Ledford believes that the
2 entirety of the document, every page thereof, or a
3 substantial number of pages thereof, contain facts
4 which are relevant to this proceeding, and then he
5 can argue that point and seek to submit the
6 entirety of the document.

7 HEARING OFFICER VALKOSKY: That's
8 correct.

9 PRESIDING MEMBER LAURIE: I would
10 suggest, however, that the Committee would then
11 have to be educated as to which portions of the
12 document to review.

13 I think it is unlikely that this
14 Committee will read every page of the document
15 searching for information, and we would be
16 disinclined to do that.

17 So, I believe it would be the burden of
18 any party who introduces the totality of a
19 document to pinpoint the portions of the document
20 that are sought to be deemed relevant.

21 HEARING OFFICER VALKOSKY: That's
22 correct, Commissioner Laurie.

23 Any questions, Mr. Ledford?

24 MR. LEDFORD: I'm sure there's tons.

25 HEARING OFFICER VALKOSKY: At this time?

1 MR. LEDFORD: I'm sorry.

2 HEARING OFFICER VALKOSKY: Again, all
3 we're trying to do is specify, I mean it's totally
4 your choice which portions of that document you
5 wish identified as a potential exhibit.

6 MR. LEDFORD: I understand what your
7 determination --

8 HEARING OFFICER VALKOSKY: That's the
9 question.

10 MR. LEDFORD: -- is today. That
11 certainly wasn't what I understood two weeks ago.
12 So, thank you.

13 HEARING OFFICER VALKOSKY: Any other --
14 one other thing's been called to my attention.
15 Because of flight schedules it's been suggested
16 that we revise the agenda and move the topic of
17 gas pipeline and construction as the first topic,
18 is that correct, Mr. Thompson?

19 MR. THOMPSON: That would be our
20 request, yes, sir.

21 HEARING OFFICER VALKOSKY: Okay. Is
22 there any objection?

23 MS. HOLMES: No.

24 MS. REYNOLDS: No.

25 MR. LEDFORD: No.

1 HEARING OFFICER VALKOSKY: Okay. All
2 right, in that case, we'll start off with a topic
3 area of gas pipeline construction and operation.

4 MR. BETTWY: Thank you, Mr. Valkosky.
5 I'd like to call to the witness stand Mr. Joseph
6 Provenza.

7 HEARING OFFICER VALKOSKY: Mr. Provenza
8 has not been sworn. If you could, please?
9 Whereupon,

10 JOSEPH P. PROVENZA, JR.
11 was called as a witness herein, and after first
12 having been duly sworn, was examined and testified
13 as follows:

14 DIRECT EXAMINATION

15 BY MR. BETTWY:

16 Q Mr. Provenza, would you please state
17 your full name for the record?

18 A Joseph P. Provenza, Jr.

19 Q And what is your business address?

20 A 5241 Spring Mountain Road, Las Vegas,
21 Nevada.

22 Q Mr. Provenza, what is your employment
23 position in Southwest Gas Corporation?

24 A I'm a Supervisor of Engineering Planning
25 and Marketing.

1 Q What involvement have you had with
2 respect to the High Desert Power Project?

3 A I am the Project Manager for Southwest
4 Gas for this particular project.

5 Q Mr. Provenza, do you have in front of
6 you what's been marked as exhibit number 94 in
7 this proceeding?

8 A Yes, I do.

9 Q And would you please identify it for the
10 record? Is that the prepared direct testimony
11 which was submitted by Southwest Gas Corporation?

12 A Yes.

13 Q And was it prepared by you or under your
14 direction?

15 A Yes, it was.

16 Q Mr. Provenza, also marked as an exhibit,
17 exhibit number 100, is an errata which was sent to
18 the Commission. Do you have that in front of you,
19 as well?

20 A Yes, I do.

21 Q Was that document also prepared by you
22 or under your direction?

23 A Yes, it was.

24 Q Mr. Provenza, those two documents
25 together, if I were to ask you the questions set

1 forth in those documents would your answers be the
2 same today as set forth in those documents?

3 A Yes, they would.

4 Q Mr. Provenza, would you like to
5 summarize your testimony?

6 A Yes. The purpose of my testimony is to
7 support the High Desert Power Project insofar as
8 it pertains to the details associated with the
9 construction and engineering related activities
10 which have occurred and which likely will occur in
11 connection with the natural gas pipeline
12 facilities for the High Desert Power Project.

13 Southwest Gas Corporation is a natural
14 gas utility engaged in the transmission,
15 distribution, transportation and sale of natural
16 gas at retail for domestic, commercial,
17 agricultural and industrial uses to customers in
18 certain parts of California, Arizona and Nevada.

19 Southwest's combined distribution
20 operations in the tri-state areas of California,
21 Arizona and Nevada serve over 1.2 million
22 customers. Southwest operates in some of the most
23 environmentally sensitive areas in the country,
24 particularly in the Lake Tahoe region and the
25 southwest desert regions.

1 Southwest prides itself on its
2 commitment to the environment and cultural
3 resource preservation.

4 There are two pipelines proposed to
5 connect the power plant to natural gas sources.
6 One to the south, the south line; and one to the
7 north, the north line.

8 The south line is a 24-inch high-
9 pressure steel pipeline approximately 3.35 miles
10 in length. It extends from the proposed High
11 Desert Power Plant site almost due south to a
12 connection with the intrastate gas transmission
13 facilities of Southern California Gas Company.

14 The north line is a 30-inch high-
15 pressure steel pipeline approximately 32 miles in
16 length. It extends from the proposed High Desert
17 Power Plant site in a north-northwesterly
18 direction to connections with the interstate gas
19 transmission facilities of Kern River Gas
20 Transmission Company and the intrastate gas
21 transmission facilities of Pacific Gas and
22 Electric Company.

23 In constructing the pipelines to be
24 connected to the High Desert Power Plant,
25 Southwest will comply with any applicable permit

1 requirements of the California Energy Commission,
2 the Bureau of Land Management, the U.S. Fish and
3 Wildlife Service, the California Department of
4 Fish and Game, and any other local, state or
5 federal agency having the appropriate
6 jurisdiction.

7 HEARING OFFICER VALKOSKY: Mr. Thompson?

8 MR. THOMPSON: No questions, but we want
9 to express our thanks to Southwest Gas for their
10 participation in the proceeding and providing the
11 record and the Committee and the Commission with
12 this evidence. Thank you.

13 HEARING OFFICER VALKOSKY: Ms. Holmes.

14 MS. HOLMES: Thank you, I have a few
15 questions in the nature of clarification.

16 CROSS-EXAMINATION

17 BY MS. HOLMES:

18 Q Good morning, Mr. Provenza. In exhibit
19 94 could you please turn to your response to data
20 request number 167. Sorry that the page isn't
21 numbered.

22 A I have it in front of me.

23 Q Okay. In that data request there were
24 some questions about the sizing of the pipeline.
25 Do you recollect that?

1 A Yes, I do.

2 Q I'd like to ask just clarification
3 questions about that. In one of the responses you
4 discuss how the size of the second natural gas
5 pipeline was selected.

6 At the bottom of the first page of the
7 data response you talk about an assumption that
8 430 psig pressure is required at the inlet to the
9 power plant meter. Do you see that?

10 A Yes, I do.

11 Q Can you explain what you mean when you
12 say that 430 psig is used as an assumption?

13 A These are our parameters that were
14 provided to us from High Desert Power Plant. And
15 in the calculations that we made we took the
16 parameters that they gave us in determining the
17 diameter of the pipe size required.

18 Q So that number came from High Desert?

19 A Yes.

20 Q And on the next page you refer to
21 another scenario in which 650 psig was required.
22 Do you see that?

23 A Yes.

24 Q Do you know why that number is
25 different?

1 A Only that it says that it's required for
2 the gas turbines.

3 Q I guess what I'm trying to understand is
4 under which -- why are there two scenarios in
5 which different amounts of pressure will be
6 required.

7 A Again, these are numbers that were
8 provided to us by High Desert, and depending on
9 the type plant that they intended to install, I
10 would assume that's why they provided these
11 numbers to us.

12 Q Would you expect that the higher number
13 would be associated with operation of a peaker
14 power plant?

15 A I have no -- I can't answer that
16 question.

17 Q The reason I ask that question is the
18 next sentence of your testimony says that the
19 highest gas flow rate is for the peaking plant
20 option. I'm trying to understand the relationship
21 between the flow rate and your previous sentence,
22 the answer you gave in your previous sentence.

23 A I'm sorry, what is the question?

24 Q I'm asking you whether or not the higher
25 pressure in your opinion is one that would be

1 required for the peaking plant option.

2 A I don't have all the information to
3 answer that question.

4 Q Thank you.

5 MR. BETTWY: Can I just interrupt just
6 for a moment? I'm informed that there is a High
7 Desert representative in the room who would be
8 able to address that. If it would be helpful to
9 the Committee or to you --

10 MS. HOLMES: Why don't I finish going
11 through my questions first.

12 MR. BETTWY: Okay.

13 MS. HOLMES: And then we can see where
14 we are at that time.

15 MR. BETTWY: Okay.

16 BY MS. HOLMES:

17 Q Do you know what the pressure for the
18 southern natural gas pipeline will be?

19 A I know what the pressures are that we
20 use to determine the size.

21 Q And those would be?

22 A It's approximately -- are you referring
23 to the 32-mile pipeline?

24 Q Yes, I am.

25 A The supply pressure that we used in our

1 calculations was 500 pounds at the inlet to the
2 pipeline.

3 Q Thank you. On the last page of your
4 response to the data request it states that in
5 order to meet the requirements for the peaking
6 power plant option a 30-inch pipeline is being
7 specified. Do you see that?

8 A Yes, I do.

9 Q Do you know whether a different sized
10 pipe would be feasible for the combined cycle
11 options?

12 A No.

13 Q Do you know whether or not the combined
14 cycle option would use more or less fuel than the
15 peaker plant?

16 A No, I do not.

17 Q Do you know how much gas the two
18 combined cycle options will be using?

19 A No, I do not.

20 MS. HOLMES: Thank you, I have no
21 further questions.

22 HEARING OFFICER VALKOSKY: Ms. Reynolds.

23 MS. REYNOLDS: No questions.

24 HEARING OFFICER VALKOSKY: Mr. Ledford.

25 MR. LEDFORD: No questions.

1 HEARING OFFICER VALKOSKY: Mr. Provenza,
2 what's the status of the right-of-way negotiations
3 for the pipelines?

4 THE WITNESS: As Project Manager I have
5 an overview of what the status is, it's ongoing.
6 The right-of-way acquisition is ongoing. However,
7 our engineering consultant could probably give you
8 a more detailed explanation of what the current
9 status is.

10 HEARING OFFICER VALKOSKY: Is that
11 consultant present?

12 THE WITNESS: Yes.

13 HEARING OFFICER VALKOSKY: Okay, if, Mr.
14 Bettwy or Mr. Thompson, if we could have that
15 consultant address that later?

16 MR. BETTWY: Will do.

17 HEARING OFFICER VALKOSKY: Yeah, thank
18 you.

19 You indicate that Southwest Gas will
20 comply with the Commission's conditions effecting
21 construction and operation. Could you specify in
22 which topic areas those conditions are applicable?

23 THE WITNESS: We've given this
24 particular project a lot of thought. It's unique
25 in a lot of respects to pipeline projects that we

1 ordinarily undertake. In this particular project
2 there are several conditions that we have agreed
3 to, one being not to travel the right-of-way for
4 our patrols, to have the appropriate
5 environmental, cultural inspectors on site during
6 construction.

7 There are a number of other requirements
8 that we're very aware of and prepared to address
9 in the construction and operation of this
10 pipeline.

11 HEARING OFFICER VALKOSKY: On page 1.6-1
12 of your exhibit 94, you indicate certain closure
13 procedures. Is it your understanding that any
14 ultimate closure of the pipeline would fall within
15 the general closure conditions imposed by the
16 Energy Commission?

17 THE WITNESS: I don't understand what
18 you mean, closure of the pipeline.

19 HEARING OFFICER VALKOSKY: Okay, page --
20 I have it as 1.6-1 of your exhibit 94, you have a
21 section entitled preliminary closure plan. And
22 your last sentence says, "Basically if Southwest
23 decides to shut down the pipeline at some future
24 point they would either abandon it in place, or
25 reclaim the pipeline and either reuse or sell the

1 pipe."

2 Do you see that sentence?

3 THE WITNESS: Yes, sir.

4 HEARING OFFICER VALKOSKY: Okay. My
5 question is, since the Commission typically
6 imposes a compliance and closure plan, is it your
7 understanding that any closure activities
8 pertaining to the gas pipeline would be covered
9 within the Energy Commission closure plan?

10 THE WITNESS: Yes, I understand what you
11 mean now. Yes, sir, and I'm aware now of what
12 you're referring to. And we certainly do intend
13 to comply with all the requirements of the closure
14 plan imposed by the California Energy Commission.

15 HEARING OFFICER VALKOSKY: Okay. One
16 part of your testimony, I believe it's page 3.0-2,
17 you indicate that a pending activity, at least as
18 I read it, is the expansion of Southwest Gas'
19 franchise territory, which is subject to CPUC
20 jurisdiction?

21 It's in a chart that you have. And
22 basically all I would like is an explanation of
23 that. I've not seen that occur before.

24 It's in the second page of your section,
25 exhibit 94, entitled, compliance with applicable

1 laws, ordinances, regulations and standards. And
2 you go down to the second box under engineering.

3 THE WITNESS: I can certainly find out
4 the full explanation for what that means in that
5 box. I do not have an answer at this time.

6 HEARING OFFICER VALKOSKY: Yeah,
7 because, you know, what you have is schedule for
8 permits, you have prior to construction, and I
9 would like to know the status of any service
10 territory expansion. And whether a delay on the
11 part of the CPUC could potentially delay
12 construction of the project or of the pipeline.

13 THE WITNESS: Let me provide that later.
14 I'm sure we'll be glad to provide that
15 information.

16 HEARING OFFICER VALKOSKY: All right.

17 MR. BETTWY: Mr. Valkosky, may I just
18 add that I've at least been involved with this
19 project from the legal department of Southwest
20 Gas, and I'm not aware at all of any need to
21 expand the franchise territory. The High Desert
22 Project falls within our service territory at this
23 time.

24 But I can understand, looking at that
25 document, it leads you to think that that's a

1 requirement.

2 HEARING OFFICER VALKOSKY: Okay.

3 MR. BETTWY: Could we get back with you,
4 perhaps even in writing?

5 HEARING OFFICER VALKOSKY: That would be
6 fine if you could clarify that in writing.

7 MR. BETTWY: I sure will.

8 HEARING OFFICER VALKOSKY: Again, I only
9 bring it up there because -- well, --

10 MR. BETTWY: Yeah.

11 HEARING OFFICER VALKOSKY: -- you can
12 understand --

13 MR. BETTWY: Absolutely.

14 HEARING OFFICER VALKOSKY: -- why I have
15 this concern.

16 MR. BETTWY: Yes, sir.

17 VICE CHAIRMAN ROHY: Mr. Valkosky, I'm
18 not sure whether this is an appropriate question
19 at this time, but the witness, in response to one
20 of your questions on compliance, said that this is
21 a unique project in many respects. I think that's
22 what I heard, is that correct?

23 THE WITNESS: That's correct.

24 VICE CHAIRMAN ROHY: And yet in exhibit
25 100, which is not the exhibit we're talking about

1 right now, page 4, line 15, the witness says the
2 proposed pipeline and the routes are not unique in
3 Southwest's experience.

4 Could you explain the difference in your
5 two statements, please?

6 THE WITNESS: Yes, I'd be glad to. And
7 I appreciate you pointing that out. One of the
8 requirements or conditions that's imposed on
9 Southwest Gas in this particular project is
10 that --

11 VICE CHAIRMAN ROHY: Would you speak
12 closer to the microphone, please.

13 THE WITNESS: Yes. One of the
14 requirements and conditions is that we do not
15 conduct any vehicular traffic down the right-of-
16 way, or over the pipeline, if you will. And that
17 is unique.

18 We normally, when we do our patrols, we
19 normally have the opportunity to travel our
20 rights-of-way for whatever patrolling reasons that
21 we have.

22 In this particular pipeline we will
23 develop a plan where we will not have any
24 vehicular traffic on the right-of-way. That is
25 one aspect.

1 VICE CHAIRMAN ROHY: Is that in the
2 unique category?

3 THE WITNESS: Yes, it is.

4 VICE CHAIRMAN ROHY: Thank you. So,
5 could you explain, then, your statement here of
6 not unique, so I understand the difference between
7 what is unique and what is not unique?

8 THE WITNESS: Yes, I'd be glad to. This
9 is not unique in the fact that it's in a very
10 environmentally sensitive area. We have a number
11 of pipelines that are in similar environmentally
12 sensitive areas in other areas of environmental
13 sensitivity unlike this one.

14 What I mean by not unique is that we are
15 very familiar with dealing with the environmental
16 constraints of whatever particular area that we're
17 operating in. And we're very well prepared to do
18 that.

19 VICE CHAIRMAN ROHY: And the unique
20 part, perhaps is that these constraints may be a
21 bit different?

22 THE WITNESS: That is correct.

23 VICE CHAIRMAN ROHY: Thank you.

24 HEARING OFFICER VALKOSKY: Mr. Provenza,
25 are you familiar with the status of the federal

1 permitting activities pertinent to the pipeline
2 and the project overall?

3 THE WITNESS: This is -- the permitting
4 activities that we have for this pipeline are
5 confined to this Commission here, sir.

6 HEARING OFFICER VALKOSKY: Okay, so
7 you're not involved in the BLM, Fish & Wildlife
8 activities?

9 THE WITNESS: Oh, yes, sir. I thought
10 you meant did we have a federal certificate or
11 something of that sort that we were going after
12 for this pipeline, as well.

13 No, we are dealing with the BLM in that
14 they are a landowner along this project route.

15 HEARING OFFICER VALKOSKY: Do you know
16 the status of their environmental review?

17 THE WITNESS: No, sir.

18 HEARING OFFICER VALKOSKY: Okay. Thank
19 you.

20 Any redirect, Mr. Bettwy?

21 MR. BETTWY: No, none at all, sir.

22 HEARING OFFICER VALKOSKY: Anything else
23 for Mr. Provenza? Thank you, sir.

24 MR. BETTWY: Mr. Valkosky, is it
25 appropriate to move the admission of exhibits 94

1 and 100?

2 HEARING OFFICER VALKOSKY: It is.

3 MR. BETTWY: I'd do that, please.

4 HEARING OFFICER VALKOSKY: Is there any
5 objection to the admission of exhibits 94 and 100?

6 No objection, we'll admit those.

7 (Whereupon, exhibits 94 and 100 were
8 received in evidence.)

9 MR. BETTWY: Thank you very much.

10 HEARING OFFICER VALKOSKY: Mr. Thompson.

11 MR. THOMPSON: Applicant would like to
12 call Mr. Cook.

13 Whereupon,

14 ROBERT A. COOK

15 was called as a witness herein, and after first
16 having been duly sworn, was examined and testified
17 as follows:

18 DIRECT EXAMINATION

19 BY MR. THOMPSON:

20 Q Would you please state your name for the
21 record.

22 A Robert A. Cook.

23 Q And are you the same Robert A. Cook who
24 has submitted testimony that is included in
25 exhibit 95 to this proceeding?

1 A Yes, I am.

2 Q And with the exception of counsel giving
3 you the wrong first name in part of that
4 testimony, is the remainder of that testimony true
5 and correct to the best of your knowledge?

6 A Yes, it is.

7 Q Do you have any corrections, additions
8 or deletions to make to that material?

9 A No, I don't.

10 Q Would you please do two things for me
11 for the record. Number one, give a brief overview
12 of your testimony. And two, within that overview
13 would you give a status of the ownership of the
14 land in the right-of-way?

15 A Okay, I work for Wilbanks Corporation,
16 which is a consultant to the project. We've been
17 working both Southwest Gas and High Desert Power
18 Plant, primarily doing all the land activities,
19 land surveying, preliminary engineering and that
20 sort of thing.

21 As far as the land acquisition is
22 concerned, the various easements and so forth,
23 they are progressing well on all four of the
24 lines; the two water lines, the northern line and
25 the southern line, as well as the northern gas

1 line and the southern gas line.

2 Q By progressing well, do you have an
3 estimate of the percentage of the land that right-
4 of-way has been acquired on?

5 A Oh, I would guess at this point probably
6 25 to 50 percent. A lot of those permits require
7 involvement with the Department of Water and
8 Power, the Air Force, some of those things are
9 rather lengthy. But as far as the private rights
10 are concerned, they're progressing well.

11 Q And as of today you see no major
12 impediments or you don't see any roadblocks that
13 we cannot get around in the acquisition of rights-
14 of-way?

15 A Not at this point. By and large most of
16 the property owners have been very receptive to
17 working with us on acquiring the rights.

18 MR. THOMPSON: Thank you very much. Mr.
19 Robert Cook is tendered for cross-examination.

20 HEARING OFFICER VALKOSKY: Staff?

21 MS. HOLMES: No questions.

22 HEARING OFFICER VALKOSKY: Ms. Reynolds?

23 MS. REYNOLDS: No questions.

24 HEARING OFFICER VALKOSKY: Mr. Ledford?

25 //

1 CROSS-EXAMINATION

2 BY MR. LEDFORD:

3 Q You testified that you had rights-of-way
4 acquired for the northern and southern water
5 lines. And can you explain on the northern
6 property lines what -- how many property owners
7 are there on the northern property line, if you
8 know, or approximately?

9 A Well, a good portion of the line is on
10 the airport property, which would be VEDA, so I
11 would guess probably 25 percent rights would be
12 involved with them. And I think that's being
13 handled under a lease with VEDA.

14 There's some property owned by the Air
15 Force which is progressing well. The Air Force is
16 still reviewing that. And that's probably 25
17 percent of the parcels.

18 And I would guess the remaining 50
19 percent are private ownership, and that's
20 progressing well.

21 Q All right, now on the southern water
22 lines can you explain to us, my recollection is
23 that that pipeline is roughly six miles, is
24 that --

25 A Yes, it's between six and seven miles.

1 Q And are there more property owners in
2 that section where that pipeline's going to go?

3 A My recollection is that it probably is
4 about the same number.

5 Q Is part of your work effort in the
6 southern portion the acquisition of sites for well
7 sites?

8 A Not to this point, I don't think the
9 locations have been specifically identified where
10 those wells would be installed. So we haven't
11 done a whole lot on that at this point.

12 Q When you say you haven't done a whole
13 lot, have you done anything?

14 A No, only we've looked at the preliminary
15 sites where the wells were to be located. But
16 besides knowing that we haven't done anything as
17 far as obtaining the rights is concerned.

18 Q And specifically, when we're talking
19 about well sites, is there other things that go
20 into well sites, other than just acquiring the
21 right to put a pipeline across the property? Is
22 there something else that you acquire on a well
23 site when you actually do that?

24 A I think when we were involved initially
25 there was some indication that we would have to go

1 to the city planning commission to get variance
2 permits and that sort of thing. But, we haven't
3 looked at it in any detail at this point.

4 Q My question is broader than that. When
5 you put a pipeline in the ground you dig the
6 pipeline in, it's 30 to 40 inches, probably, 48
7 inches maybe maximum that these lines will cover.

8 However, when you put a well in and
9 you're going to do injection, there's other issues
10 that come up when you're condemning property.
11 You're not just poking a hole in the ground,
12 you're affecting property that's over a much
13 broader scope.

14 Are you studying those issues relative
15 to your condemnation proceedings?

16 A We haven't been involved in that. I
17 think the Applicant is more involved in the
18 analysis.

19 MR. LEDFORD: Thank you, no further
20 questions.

21 EXAMINATION

22 HEARING OFFICER VALKOSKY: Mr. Cook, is
23 it correct that construction cannot commence until
24 you have acquired all of the necessary right-of-
25 way?

1 THE WITNESS: Yes.

2 HEARING OFFICER VALKOSKY: Any redirect,
3 Mr. Thompson?

4 MR. THOMPSON: None, thank you.

5 HEARING OFFICER VALKOSKY: Mr. Cook,
6 what percentage of the right-of-way do you
7 anticipate you will have to exercise eminent
8 domain to obtain?

9 THE WITNESS: Hopefully none. Like I
10 indicated earlier, it's been progressing well. We
11 really haven't reached any stalemates with any of
12 the property owners at this point.

13 HEARING OFFICER VALKOSKY: Okay, so
14 currently the figure is zero, and in the future
15 it's pretty --

16 THE WITNESS: Hopefully also zero.

17 HEARING OFFICER VALKOSKY: Hopefully
18 also zero.

19 Okay, any further questions for Mr.
20 Cook?

21 Thank you, Mr. Cook.

22 THE WITNESS: Thank you.

23 MR. THOMPSON: Mr. Valkosky, if
24 appropriate I would like to move into evidence
25 three exhibits totally sponsored by Mr. Cook.

1 Numbers 27, 28 and 45.

2 HEARING OFFICER VALKOSKY: Exhibits 27,
3 28 and 45. Mr. Thompson, help me out here because
4 I had -- a minor point, but I had exhibit 45 as
5 one of the ones you had previously identified as
6 those that should have been admitted on the 16th.
7 That could be an error on my part.

8 MR. THOMPSON: No, it's probably an
9 error on my part.

10 HEARING OFFICER VALKOSKY: The same are
11 true of 27 and 28.

12 MR. THOMPSON: It's the difficulty with
13 the same witness testifying in both land use and
14 pipeline. And I'm afraid I did one of these at
15 night, and the next in the morning. But just so
16 long as it's in the record, it doesn't matter to
17 me, and I suspect that the exhibit has pertinence
18 in both areas.

19 HEARING OFFICER VALKOSKY: Okay. With
20 that clarification, we are now looking at exhibits
21 27, 28 and 45. Is there any objection to their
22 admission?

23 MS. HOLMES: None again.

24 MS. REYNOLDS: None.

25 MR. LEDFORD: None.

1 HEARING OFFICER VALKOSKY: Okay. They
2 will be admitted.

3 (Whereupon, exhibits 27, 28 and 45 were
4 received in evidence.)

5 HEARING OFFICER VALKOSKY: Are there any
6 members of the public or anyone else who wishes to
7 make any comment on the topic area of gas pipeline
8 construction and operation?

9 Seeing none, we'll move on to the next
10 topic area, traffic and transportation. Mr.
11 Thompson.

12 MR. THOMPSON: Thank you, sir.
13 Applicant would call John Wilson.
14 Whereupon,

15 JOHN D. WILSON
16 was called as a witness herein, and after first
17 having been duly sworn, was examined and testified
18 as follows:

19 DIRECT EXAMINATION

20 BY MR. THOMPSON:

21 Q Would you please state your name for the
22 record.

23 A My name is John D. Wilson.

24 Q And are you the same John Wilson who
25 submitted prepared direct testimony which is now

1 included exhibit 95 to this proceeding?

2 A Yes, I am.

3 Q Do you have any corrections, changes,
4 additions or deletions to make to that material?

5 A No, I don't.

6 Q Would you please very briefly summarize
7 your traffic and transportation analysis for the
8 Commission?

9 A Yes. Basically the evaluation began
10 with a review of existing documentation of
11 existing traffic volumes and capacities and levels
12 of service of roadways providing access to the
13 site.

14 Then we developed forecasts of traffic
15 that would be generated by the project, both on a
16 near-term construction basis and on longer term
17 operational basis.

18 Then we evaluated the potential impacts
19 of those increases in traffic with regard to
20 available roadway capacity and levels of service.

21 We also took a look at the potential
22 impacts moving major pieces of equipment or
23 hazardous materials to the site in terms of
24 transportation.

25 And the results of the evaluation really

1 indicated that the project would not have a
2 significant impact. Basically the traffic that
3 would be generated by the project would both, on a
4 construction basis, near term and a longer term
5 operational basis, would be basically minimal and
6 dispersed when compared to available capacities
7 and levels of service of the roadways.

8 And the transportation of equipment and
9 materials would all be in accordance with laws,
10 ordinances and regulations and should be able to
11 occur acceptably.

12 Q Thank you. Mr. Wilson, have you had an
13 opportunity to review the staff's analysis in the
14 traffic and transportation area?

15 A Yes, I have.

16 Q And specifically within that have you
17 looked at the conditions of certification and
18 verification thereto?

19 A Yes.

20 Q Do you recommend to the High Desert
21 Power Project that they accept those conditions
22 and verifications?

23 A Yes, I do.

24 Q Thank you very much.

25 MR. THOMPSON: Mr. Wilson is tendered

1 for cross-examination.

2 HEARING OFFICER VALKOSKY: Ms. Holmes.

3 MS. HOLMES: No questions.

4 HEARING OFFICER VALKOSKY: Ms. Reynolds.

5 MS. REYNOLDS: No questions.

6 HEARING OFFICER VALKOSKY: Mr. Ledford.

7 CROSS-EXAMINATION

8 BY MR. LEDFORD:

9 Q Mr. Wilson, when you started your
10 research on this project did you utilize the
11 underlying Base reuse EIR as your principal
12 starting point?

13 A I wouldn't say that that was the
14 principal starting point. I looked at a number of
15 different studies that were done in the area of
16 circulation, elements for the different cities,
17 Victorville, Adelanto, et cetera. But that was
18 one of the items, or the transportation section of
19 that.

20 Q You're aware that that would be the
21 underling environmental impact report for this
22 project?

23 MR. THOMPSON: I don't know if this is
24 the right -- this sounds to me like a legal
25 question. I suppose the witness could answer if

1 he wants to, or has any knowledge --

2 THE WITNESS: I don't consider myself
3 the one to answer that.

4 BY MR. LEDFORD:

5 Q You have reviewed the staff's testimony
6 on traffic and transportation, and I believe you
7 said that you agree with it, is that correct?

8 A Yes.

9 Q On page 149 staff indicates that there
10 was an environmental impact analysis of traffic
11 analysis that was done for the Base reuse study.
12 I'm assuming that that's part of the EIS that was
13 prepared for the reuse of the Base, do you know?

14 A I would presume that's the case, but I'm
15 not certain.

16 Q And staff, in their analysis, talks
17 about the cumulative impacts of the project. Did
18 you review that section?

19 A Yes.

20 Q And would it be a true statement that
21 the cumulative impacts of -- this project's
22 cumulative impacts are greater than what was
23 studied in the original environmental impact
24 report that you reviewed?

25 A I would say that the cumulative impacts

1 of this project with regard to traffic are very
2 minimal, that this project is going to generate a
3 very limited volume of traffic on a daily basis on
4 a long-term operational basis, to the extent that
5 they will not have an impact.

6 The volumes that would be generated by a
7 project like this are considerably less than what
8 one would ever experience just in daily
9 fluctuations of traffic volumes, they're that
10 small.

11 Q And your testimony relative to that kind
12 of traffic is vehicular traffic, would that be
13 correct?

14 A Correct.

15 Q This studies also aircraft flight
16 patterns and thermal plumes from both the cooling
17 towers and the gas exhaust plumes, are you aware
18 of that particular part of this testimony?

19 A I'm aware of that part of the testimony.
20 I did not prepare any of that information.

21 Q Do you concur with staff's position on
22 that testimony?

23 A I don't consider myself an expert in
24 that area and really able to state one way or the
25 other.

1 MR. LEDFORD: Thank you, I have no
2 further questions.

3 EXAMINATION

4 HEARING OFFICER VALKOSKY: Mr. Wilson, I
5 note in the testimony that you're anticipating
6 near completion of the Phantom Road improvements.
7 Do you know the schedule for that?

8 THE WITNESS: I cannot tell you what the
9 latest schedule is. They had anticipated that
10 they would be completed prior to when the project
11 would be completed.

12 But basically Phantom Road is a -- it's
13 a four-lane facility, it's about 52 feet wide
14 right now. It was built as part of the Air Force
15 Base really to earlier federal standards. It
16 doesn't meet city standards now in terms of the
17 ability to perhaps have bicycle traffic, parking
18 on the sides, those sorts of things.

19 But it does have the capacity available
20 to carry all the traffic that is needed.

21 HEARING OFFICER VALKOSKY: Okay. So
22 when those improvements are completed then it's
23 fair to say the situation will be better, although
24 it is now adequate?

25 THE WITNESS: Yes.

1 HEARING OFFICER VALKOSKY: Is that
2 correct?

3 THE WITNESS: Yes.

4 HEARING OFFICER VALKOSKY: Okay. And
5 just, you know, real quickly I notice testimony
6 indicates that the level of service threshold for
7 local roads is level of service three. And level
8 of service E for regional roads, is that correct?

9 THE WITNESS: Right. They are set by
10 two different agencies. The regional roadways
11 levels or criteria is set by the congestion
12 management program for San Bernardino County. And
13 that is their threshold, is the level of service
14 E.

15 The levels of service C that are set on
16 the local roadways are set by really the City of
17 Victorville's circulation element of their general
18 plan, and the circulation element of the City of
19 Adelanto's general plan.

20 HEARING OFFICER VALKOSKY: And in either
21 case the traffic associated with the project would
22 not --

23 THE WITNESS: Progress --

24 HEARING OFFICER VALKOSKY: --
25 substantially affect either of those levels?

1 THE WITNESS: That is correct.

2 VICE CHAIRMAN ROHY: Mr. Wilson, in a
3 project of this type there is very large and heavy
4 pieces of manufactured equipment that will come
5 during the construction phase.

6 Are you aware of how they will be
7 delivered, and my question is specifically by rail
8 or by truck?

9 THE WITNESS: My understanding that is
10 the plan now is to deliver them by rail to the
11 nearest railhead, and then they will be trucked a
12 short distance to the site. And it will have to
13 be the real heavy equipment, anything over 80,000
14 pounds, basically, will have to be put on a truck
15 that has a number of axles, and special permits
16 will be required from Caltrans to move that
17 equipment.

18 VICE CHAIRMAN ROHY: And you've examined
19 that in your work?

20 THE WITNESS: We have taken a look at it
21 and had conversations with the City of
22 Victorville's traffic engineer, and have worked
23 out a tentative route by which they could truck
24 the equipment from the railhead to the site
25 without having to go over any bridges or under any

1 overpasses or anything that would limit --

2 VICE CHAIRMAN ROHY: So you've looked at
3 restrictive constraining clearances?

4 THE WITNESS: Correct.

5 VICE CHAIRMAN ROHY: And have you looked
6 at road loading?

7 THE WITNESS: Basically what happens
8 there is you continue to add axles and tires until
9 you're able to spread the load sufficiently that
10 the structural section of the road can handle
11 whatever the load is.

12 VICE CHAIRMAN ROHY: And in your
13 professional opinion are you satisfied that that
14 can be done in this case?

15 THE WITNESS: I believe so, and in that
16 they're required to get permits from Caltrans to
17 do that, and Caltrans will be reviewing all of
18 that. So it would be subject to the approval of
19 Caltrans.

20 VICE CHAIRMAN ROHY: Thank you.

21 HEARING OFFICER VALKOSKY: No redirect,
22 Mr. Thompson?

23 MR. THOMPSON: No, thank you.

24 HEARING OFFICER VALKOSKY: Anything else
25 for Mr. Wilson from anyone here present?

1 Thank you, sir.

2 MS. HOLMES: Staff calls Mr. Flores and
3 Keith Golden. I believe that Mr. Flores has
4 already been sworn, and Mr. Golden has not.
5 Whereupon,

6 DAVID FLORES and KEITH GOLDEN
7 were called as witnesses herein, and after first
8 having been duly sworn, were examined and
9 testified as follows:

10 DIRECT EXAMINATION

11 BY MS. HOLMES:

12 Q Could you start by stating your names
13 clearly for the record and for the audience?

14 MR. GOLDEN: My name is Keith Golden.

15 MR. FLORES: My name is David Flores.

16 MS. HOLMES: Thank you. Did you prepare
17 the traffic and transportation section of the
18 staff assessment which has been identified as
19 exhibit 82.

20 MR. GOLDEN: Yes, I have.

21 MR. FLORES: Yes, I have.

22 MS. HOLMES: And did you also prepare
23 errata on the traffic and transportation area
24 which was filed on March 9th and has been
25 identified as exhibit 83?

1 MR. GOLDEN: Yes, I did.

2 MS. HOLMES: And are your witness
3 qualifications contained in the staff assessment
4 which has been identified as exhibit 82?

5 MR. GOLDEN: Yes, they are.

6 MS. HOLMES: Do you have any corrections
7 to your testimony?

8 MR. GOLDEN: No.

9 MS. HOLMES: Are the facts contained in
10 the documents you're sponsoring true and correct?

11 MR. GOLDEN: Yes, they are.

12 MS. HOLMES: And do the opinions
13 contained in the documents you're sponsoring
14 represent your best professional judgment?

15 MR. GOLDEN: Yes.

16 MS. HOLMES: Before I make the witnesses
17 available for cross-examination, Mr. Valkosky, I
18 think it might be helpful to have them explain
19 which one is responsible for which portions of the
20 documents identified.

21 HEARING OFFICER VALKOSKY: I think
22 that's an excellent suggestion, Ms. Holmes. One
23 minor point, when you were identifying exhibits
24 did you include exhibit 84, the revised
25 supplemental analysis?

1 MS. HOLMES: I think you're correct that
2 I inadvertently identified exhibit 83 instead of
3 84. I believe it should have been exhibit 84.

4 HEARING OFFICER VALKOSKY: Okay, thank
5 you.

6 MS. HOLMES: Thank you.

7 MR. GOLDEN: My name's Keith Golden and
8 I prepared the section concerning the FAA and the
9 aviation, potential aviation impacts of the
10 project.

11 MR. FLORES: David Flores. I looked at
12 the local roadway systems; also addressed CURE's
13 response regarding hazardous material deliveries
14 on the roadways. Essentially prepared the staff
15 report on those analyses.

16 MS. HOLMES: Thank you. With that
17 clarification, the witnesses are available for
18 cross-examination.

19 MR. THOMPSON: No questions.

20 HEARING OFFICER VALKOSKY: Ms. Reynolds.

21 MS. REYNOLDS: No questions.

22 HEARING OFFICER VALKOSKY: Mr. Ledford.

23 CROSS-EXAMINATION

24 MR. LEDFORD: I'm sorry, I didn't write
25 the names down, but the witness that prepared the

1 FAA portion, and I --

2 HEARING OFFICER VALKOSKY: That's Mr.
3 Golden.

4 MR. LEDFORD: Mr. Golden. I'm making an
5 assumption, I hope it's correct, that the
6 testimony in the initial portion on page 147 which
7 deals with cooling towers and thermal plumes and
8 aircraft flight patterns, this is your testimony?

9 MR. GOLDEN: That's correct.

10 MR. LEDFORD: My question to you, sir,
11 is the alignment of the cooling towers as they
12 presently are aligned, it's my understanding that
13 that is on the cross-wind runway, is that correct?

14 MR. GOLDEN: Well, the term cross-wind
15 runway, it is closest to runway 2-1. So, --

16 MR. LEDFORD: Are you familiar with the
17 wind patterns in the high desert?

18 MR. GOLDEN: Yes, I am.

19 MR. LEDFORD: Would you consider that to
20 be a cross-wind runway?

21 MR. GOLDEN: On an annual basis one
22 could use that runway as a cross-wind runway,
23 based upon the annual windflow patterns.

24 MR. LEDFORD: All right. And can you
25 tell me which end of the runway that the cooling

1 towers or the power plant is located?

2 MR. GOLDEN: Located at the eastern end
3 of the runway.

4 MR. LEDFORD: And when aircraft land on
5 a cross-wind runway what is the approach?

6 MR. GOLDEN: Well, when you say it's the
7 approach, --

8 MR. LEDFORD: The landing approach.

9 MR. GOLDEN: Yes, I understand. The
10 concern is that most of the time aircraft would
11 land on a runway where the wind is blowing
12 directly down the runway, and they would choose
13 runway 1-7, not runway 2-1.

14 There's two runways at this airport,
15 therefore the pilots --

16 MR. LEDFORD: Correct.

17 MR. GOLDEN: -- will choose the runway
18 where the wind is blowing directly down the runway
19 so they land directly into the wind as much as
20 possible. And that choice would be runway 1-7 if
21 the wind is blowing from the south.

22 MR. LEDFORD: Okay. Assuming that they
23 were choosing the cross-wind runway, based on the
24 prevailing wind what would be the landing approach
25 typically?

1 MR. GOLDEN: If they were to choose a
2 cross-wind runway, they would probably land on
3 runway 2-1.

4 MR. LEDFORD: And their approach would
5 be from? Either direction? Or from the east or
6 the west or?

7 MR. GOLDEN: Well, again, a pilot -- and
8 the reason I prepared the testimony is I'm a
9 licensed private pilot, so that's the connection
10 here -- but the choice for a private pilot would
11 be to land most directly into the wind. And if
12 given a choice, he will land on a runway where
13 there were minimized cross-wind. And so
14 therefore, if one was to choose to go on a cross-
15 wind, at least in a quarterly head cross-wind,
16 they would come in on runway 2-1. But they
17 wouldn't choose to come in on runway 3, because
18 you do not want to land downwind. You always want
19 to land at least somewhat into the wind.

20 MR. LEDFORD: Correct. During the times
21 of the year when the cooling towers would actually
22 be putting up a plume, which as has been
23 previously testified to might only be as much as 8
24 percent of the time, would those plumes present a
25 visual impact to the landing of that aircraft on

1 runway 2-1? Or even on -- potentially on runway
2 3?

3 MR. GOLDEN: In my judgment they would
4 not.

5 MR. LEDFORD: They would not ever?

6 MR. GOLDEN: Well, when you say ever,
7 that's a long time. But in my judgment --

8 MR. LEDFORD: On an annual basis?

9 MR. GOLDEN: No, I don't believe they
10 would.

11 MR. LEDFORD: And your reason for that,
12 please?

13 MR. GOLDEN: Looking at -- and I have a
14 figure, figure 3.1-9 in the AFC, --

15 MR. LEDFORD: Okay.

16 MR. GOLDEN: -- that if you were to take
17 a look at the location of the runway, which is up
18 here in the upper right-hand corner, and the
19 location of the cooling towers, which is right
20 here pretty much in the center of the figure, that
21 the distance from the cooling towers to the
22 approach to land is of such great distance that
23 the cooling tower plume would very unlikely ever
24 cross over to this runway.

25 And even if it were to occur, again, a

1 pilot would not choose to land on a cross-wind
2 runway, he would choose to land on runway 1-7
3 because this wind would be blowing this plume
4 directly to the north. Therefore a pilot would
5 choose to land on runway 1-7, which is heading in
6 a north/south direction.

7 MR. LEDFORD: Okay. My other question
8 to you, sir, is on page 149 under cumulative
9 impacts, and this may be the generic you, because
10 I'm not sure which one of you may have prepared
11 this particular testimony, this may be more like
12 roadways -- had reviewed the underlying
13 environmental impact statement prepared for the
14 reuse of George Air Force Base. Did you review
15 that document?

16 MR. FLORES: Yes, I did.

17 MR. LEDFORD: And would it be consistent
18 that the introduction of this project into the
19 George Air Force Base reuse plan would be a
20 cumulative impact that had not been previously
21 studied under the former environmental impact
22 statement?

23 MS. HOLMES: I'm going to object just to
24 ask for a clarification. I'm not sure which
25 document he's claiming does or does not have a

1 cumulative impact analysis.

2 HEARING OFFICER VALKOSKY: Okay, you
3 have to ask for the clarification then. Mr.
4 Ledford?

5 MR. LEDFORD: No, I'm not asking whether
6 there's a cumulative impact analysis, I'm asking
7 whether or not the introduction of the High Desert
8 Power Project as a project into the Victor Valley
9 Economic Development Authority's master plan
10 creates a cumulative impact that was not studied
11 under the previous EIR. That is my question.

12 MS. HOLMES: I understand the question
13 now, thank you.

14 MR. FLORES: In looking at the reuse
15 plan there's no discussion regarding that, but I
16 would assume, and this is just an assumption on
17 that, in preparing that reuse plan that they would
18 look at various documents to prepare this reuse
19 plan, and that they took it into consideration.

20 But as to any reference to it, I'm not
21 aware of it.

22 MR. LEDFORD: In the document that you
23 reviewed for the reuse of George Air Force Base,
24 was there anyplace in that document that you saw
25 the development of a power plant?

1 MR. FLORES: No.

2 MR. LEDFORD: Then my question relative
3 to cumulative impacts relative to traffic, and
4 this is how that it would dovetail into air
5 quality, does traffic and air quality have a
6 relationship relative to impacts?

7 Let me try this -- I don't think that
8 was -- I heard myself, it wasn't a good question.

9 Relative to traffic, when you introduce
10 a project that was not previously reviewed, do the
11 cumulative traffic impacts affect the cumulative
12 air quality impacts? Maybe that's a better format
13 for the question.

14 MR. GOLDEN: Okay, well, I'm an air
15 quality expert, so I probably could deal with this
16 issue, although I'm not testifying in this case on
17 air quality, but on this question I'll give it my
18 shot.

19 When you were mentioning traffic are you
20 talking about the consistent traffic of the
21 project during the life of the project, or are we
22 talking about construction-related traffic
23 impacts?

24 MR. LEDFORD: I'm specifically talking
25 about if an underlying environmental impact

1 statement did not address one set of
2 circumstances, and this project changed that set
3 of circumstances, and that created cumulative
4 impacts in the traffic section, would those
5 cumulative impacts also find themselves in other
6 sections, and specifically since we're talking
7 about traffic here, traffic generates emissions
8 and emissions generates air quality issues, would
9 that cumulative impact affect air quality?

10 That's --

11 PRESIDING MEMBER LAURIE: I'm going to
12 ask Mr. Valkosky a question for clarification
13 before I'd like the question answered.

14 Mr. Valkosky, Mr. Ledford made reference
15 to the reuse EIR as the underlying environmental
16 assessment. I understand a reference to an
17 underlying environmental document being
18 supplemented.

19 My understanding, however, is that a
20 reference to the environmental document earlier
21 referred to for reuse of the airport should not be
22 categorized as an underlying document, that is the
23 environmental analysis being utilized for the
24 power plant is independent and is not supplemental
25 to or subsequent to the earlier environmental

1 analysis. Is that understanding correct?

2 HEARING OFFICER VALKOSKY: Your latter
3 statement is correct. We are performing an
4 independent analysis of the power plant.

5 PRESIDING MEMBER LAURIE: So, is it
6 relevant to question the legitimacy of the earlier
7 prepared environmental analysis when a project is
8 proposed that was not considered within that
9 project description? I think I know where Mr.
10 Ledford is going with this, and I don't see its
11 relevancy.

12 HEARING OFFICER VALKOSKY: Typically,
13 Commissioner Laurie, I would leave any objections
14 to the witnesses' attorney in most cases. I think
15 what Mr. Ledford is attempting to discern is
16 whether the impacts, any impacts associated with
17 this power plant were considered in the EIR for
18 reuse of the Air Force Base. Is that correct, Mr.
19 Ledford?

20 MR. LEDFORD: Among others. My position
21 has pretty well been stated over the last several
22 months relative to cumulative impacts. And
23 testimony by staff here in this particular case on
24 page 149 says, the overall build-out has been
25 addressed by the traffic analysis prepared by the

1 George Air Force Base Reuse Study in 1990.

2 So, staff has taken a position that this
3 has been studied in the former EIR. The problem
4 is does the cumulative impacts, now that are
5 associated with traffic, fold themselves into
6 other parts of this EIR. And --

7 HEARING OFFICER VALKOSKY: So in this
8 topic area is your question whether the traffic
9 attributable to this project will create a
10 cumulative adverse impact? Or contribute to --

11 MR. LEDFORD: Yeah, contribute to it,
12 and whether or not that's been mitigated. And
13 then the other piece of it is does that -- has
14 that been addressed. And we're going to get to
15 that in another hearing time, of course. I'm not
16 here to ask him air quality questions. I'm glad
17 to know he's an expert.

18 HEARING OFFICER VALKOSKY: Right, but --
19 okay, so let's just try with those questions.
20 Will the traffic attributable to this project
21 contribute to a significant adverse cumulative
22 impact?

23 MR. FLORES: No, it will not from
24 traffic and transportation.

25 MR. GOLDEN: From an air quality

1 standpoint I would say no, it would not, also.

2 HEARING OFFICER VALKOSKY: You don't
3 have to go to air quality.

4 MR. GOLDEN: Okay, I won't go into that.
5 (Laughter.)

6 MR. THOMPSON: We have no objection to
7 that.

8 (Laughter.)

9 MR. LEDFORD: All right, then I have no
10 further questions.

11 HEARING OFFICER VALKOSKY: Okay, any
12 witness can jump in on this, although I think
13 probably Mr. Golden -- what is the current name of
14 the airport? I've seen that changed two or three
15 times.

16 MR. GOLDEN: Well, the last I heard it
17 was Southern California International Airport, but
18 now I may be mistaken on this.

19 HEARING OFFICER VALKOSKY: Okay, and if
20 you can't clarify it, I would like someone to --

21 MR. GOLDEN: I'm not sure.

22 HEARING OFFICER VALKOSKY: -- because I
23 understand it's now Southern California Logistics
24 Airport, is that correct? I have a lot of nodding
25 heads in the audience.

1 Mr. Golden, can you explain for the
2 benefit of the Committee the status of the FAA
3 determination? This has been a matter of
4 considerable give-and-take in this proceeding.

5 MR. GOLDEN: Right.

6 HEARING OFFICER VALKOSKY: And it's
7 addressed in I believe it's your portion of the
8 testimony.

9 MR. GOLDEN: Well, I don't know if you
10 want to go through the whole history, but for now
11 the FAA evaluated a project that had a stack
12 height of 175 feet. Because of issues raised by
13 ourselves and also by parties at the International
14 Airport, themselves, about possible conflicts.

15 The Applicant has gone to reduce the
16 stack height to 140 -- 130 feet.

17 HEARING OFFICER VALKOSKY: 130 feet --

18 MR. GOLDEN: The FAA, it's my
19 understanding, has not done any analysis of that
20 shorter stack height, an independent analysis.
21 And actually it is their responsibility to do so.
22 We were doing this as a review to see how they had
23 done their analysis to see if there was any
24 concerns about what they had done, the assumptions
25 they had used.

1 The reason I have under page 153 of my
2 testimony a conclusion and recommendation number
3 two is, I believe, that the Applicant should file
4 another application with the FAA with the correct
5 new stack height for the FAA to do a revised
6 analysis, submit their conclusions, which I
7 believe would be of a no-hazard conclusion, so
8 that the record from the FAA to all parties is
9 that they found that with the project as revised
10 there would be no hazard.

11 And that's what I'm requesting the
12 Applicant to do, and put into it as a condition.

13 HEARING OFFICER VALKOSKY: Now, is it
14 your understanding -- let me rephrase that -- I
15 take it it is your understanding that if the stack
16 height is lowered to 130 feet, that there is
17 likely no aviation hazard, is that correct?

18 MR. GOLDEN: That's correct.

19 HEARING OFFICER VALKOSKY: Is there, to
20 your knowledge, a condition of certification
21 requiring that stack height limitation?

22 MR. GOLDEN: I believe in the air
23 quality testimony there's a requirement that the
24 stack height be 130 feet, but I'm not absolutely
25 sure.

1 HEARING OFFICER VALKOSKY: I believe air
2 quality condition 10 says it's a minimum of 130
3 feet. Now, that seems to me somewhat different
4 from what you're suggesting here. Would you agree
5 with that?

6 MR. GOLDEN: Yes. I mean it could be,
7 under air quality it could be taller than 130
8 feet, that's correct, based upon the condition in
9 air quality, yes.

10 HEARING OFFICER VALKOSKY: Okay, but
11 your testimony would be that it can be no more
12 than a maximum of 130 feet?

13 MR. GOLDEN: Well, there is a --

14 HEARING OFFICER VALKOSKY: Or not?

15 MR. GOLDEN: -- there is a little bit of
16 room, it could go slightly higher. I'd have to
17 look at the numbers. I think the testimony
18 explains just how much room they have to go to a
19 slightly taller stack, but it's 130 feet, maybe up
20 to 140 feet, but it's in the analysis as to how
21 much clearance that stack top has with the bottom
22 of this transitional air space.

23 And right now there's some 10 or 15
24 feet, I believe, of space available to them, but
25 they can't go any higher than that. The Applicant

1 proposed a height of 130 feet, which is well below
2 that transitional air space designation.

3 MS. HOLMES: There's a discussion of the
4 transitional air space on page 146 of Mr. Golden's
5 testimony at the bottom of the page.

6 HEARING OFFICER VALKOSKY: Right, and I
7 guess from the Committee's perspective, basically
8 would like to know how high the stack is really
9 going to be. We've got commitments and we've got
10 somewhat conflicting testimony, or at least -- not
11 conflicting, ambiguous testimony and conditions
12 that I'm aware of.

13 And I would request that the parties
14 clarify that in writing.

15 Finally, Mr. Golden, your testimony
16 starting at about page 147, indicates that the
17 thermal -- the incidence of thermal plumes needs
18 to be explored. Have you done this and what is
19 your conclusion concerning the potential hazard to
20 aviation caused by thermal plumes?

21 MR. GOLDEN: Well, my analysis is
22 presented here, and my conclusion is that the
23 thermal plumes from both the stacks and the
24 cooling tower would be rapidly dissipated so that
25 at the normal pattern height which an aircraft

1 would be traveling, there should be no significant
2 impact on that aircraft through any kind of a
3 thermal plume.

4 In fact, at that height there would
5 probably be very little discernible notice of any
6 thermal plume.

7 Secondly, looking at the pattern, the
8 air traffic pattern at that airport and the
9 proximity of the cooling tower and stack heights,
10 it's fairly unlikely that an aircraft would be
11 traveling directly over the project, but would
12 probably travel farther to the south and to the
13 east of the project site.

14 So, between those two points I have
15 concluded that there is no potential significant
16 impact of aircraft travel from the thermal plumes.

17 HEARING OFFICER VALKOSKY: If I could
18 follow up on one of Mr. Ledford's questions, is it
19 also your testimony that the project would cause
20 no aviation impact due to the visible plumes?

21 MR. GOLDEN: That is correct.

22 HEARING OFFICER VALKOSKY: Thank you.

23 PRESIDING MEMBER LAURIE: Mr. Golden,
24 let me refer you to your page 148, last paragraph
25 of your discussion of plume impact concern. And

1 you state in the last paragraph, "For the reasons
2 stated above, staff believes that the thermal
3 plumes from the exhaust stacks or the cooling
4 towers of the HDPP will not impact typical air
5 navigation around the SCIA. The FAA also concurs
6 with this conclusion in their no-hazard
7 determination."

8 What document are you referring to when
9 you refer to the no-hazard determination? There
10 was a FAA letter dated May 5, 1998.

11 MR. GOLDEN: I believe that that is what
12 I'm referencing to, the May 5, 1998 letter.

13 PRESIDING MEMBER LAURIE: Okay. Where
14 is a copy of that letter? I don't have that
15 before me. Is that part of your testimony?

16 MR. GOLDEN: I have a copy here. I
17 don't know if it was -- this letter was supposedly
18 should have been docketed. I'm not --

19 PRESIDING MEMBER LAURIE: I have been
20 presented a copy, thank you.

21 MR. GOLDEN: Okay.

22 PRESIDING MEMBER LAURIE: Is it your
23 view that this May 5th letter remains applicable
24 to the project as currently described? Or is it
25 your view that the official position of FAA needs

1 to be modified in light of modification to the
2 project specifications?

3 MR. GOLDEN: I think it's the latter
4 point. The May 5, 1998 letter had to do with the
5 FAA's assumption of a 175-foot tall stack. Since
6 then the Applicant has lowered the stack height
7 down to 130 feet. And it is my belief that the
8 Applicant should clarify this point with the FAA
9 for them to do an additional analysis to determine
10 whether, in fact, that 130 feet is also
11 appropriate, and for them to determine a no-
12 hazard, just to make sure that the record is
13 straight from the FAA and the Applicant as to what
14 was done originally, and what the FAA did, and how
15 the project has since changed.

16 PRESIDING MEMBER LAURIE: Okay. Well,
17 given your review of the May 5th letter, and given
18 no modification to that letter at this point, is
19 it your view that you can rely on the no-hazard
20 determination contained in the May 5th letter to
21 continue to recommend, as you have proposed,
22 without any modification to that letter?

23 That is, do you feel you can still
24 utilize the May 5th letter as a relevant document?
25 Because you have referred to it in your testimony.

1 MR. GOLDEN: Well, there is somewhat of
2 a disconnect between the May 5th letter because of
3 an erroneous assumption about the use of one of
4 the runways, the runway most impacted.

5 The FAA, and we clarified in the
6 testimony on page 146, assumed a classification of
7 a runway that was in error when they did this
8 analysis that resulted in the May 5th letter. We
9 pointed this out as a conflict, as a problem, and
10 subsequently the Applicant, seeing this problem,
11 decided to lower the stack height.

12 But I understand there's been no
13 dialogue with the FAA. Perhaps the Applicant
14 could clarify whether they've had any dialogue
15 with the FAA to determine whether, in fact, they
16 have contacted FAA and requested a revised
17 analysis.

18 PRESIDING MEMBER LAURIE: Would you,
19 under normal course of events, rely on the FAA's
20 non-hazard determination in making a
21 recommendation to this Committee?

22 MR. GOLDEN: I would if they were to
23 use -- if the FAA was using the correct
24 information. At the point they prepared this
25 analysis they were apparently using erroneous

1 information.

2 PRESIDING MEMBER LAURIE: Is it your
3 view that you can make a recommendation to this
4 Committee, as you have, in light of no current
5 relevant non-hazard determination by the FAA?

6 MR. GOLDEN: Would you restate your
7 question again?

8 PRESIDING MEMBER LAURIE: Yes. You have
9 submitted, as part of staff's proposals, a series
10 of recommended terms and conditions, have you not?

11 MR. GOLDEN: That's correct.

12 PRESIDING MEMBER LAURIE: Is it your
13 professional opinion that you can substantiate
14 those recommendations without an appropriate FAA
15 letter of non-hazard?

16 MR. GOLDEN: I could, yes.

17 PRESIDING MEMBER LAURIE: Okay, thank
18 you. So, bottomline being that it is your view
19 that obtaining a new non-hazard determination is
20 not a prerequisite for the conditions that you
21 have proposed?

22 MR. GOLDEN: That is correct except I do
23 have a condition requesting the Applicant submit a
24 revised analysis, I believe.

25 PRESIDING MEMBER LAURIE: Okay, but

1 that's after the fact?

2 MR. GOLDEN: That's true, that's
3 correct.

4 PRESIDING MEMBER LAURIE: So what I'm
5 asking you is can you do your analysis without
6 having the FAA information?

7 MR. GOLDEN: Yes.

8 PRESIDING MEMBER LAURIE: Thank you.

9 VICE CHAIRMAN ROHY: Mr. Golden, the
10 name of the airport has me a bit concerned. Often
11 the -- often when the names are changed the
12 purpose of the airport changes. And when I heard
13 the word logistics it implied to me there may be a
14 different type of aircraft that might be using the
15 airport than was originally assumed.

16 Is that a logical conclusion one could
17 make?

18 MR. GOLDEN: Well, the term logistics
19 does bring to mind certain class of aircraft that
20 currently may not possibly be using the airport.
21 Just my general knowledge of aviation, thinking
22 the term logistics would mean a larger aircraft.

23 VICE CHAIRMAN ROHY: Perhaps cargo
24 aircraft?

25 MR. GOLDEN: Perhaps, yes.

1 VICE CHAIRMAN ROHY: So that was your
2 analysis based on general aviation use, typical
3 Cessna-type airplanes?

4 MR. GOLDEN: That's correct.

5 VICE CHAIRMAN ROHY: Would your analysis
6 be different if they were large transport aircraft
7 using this same runway?

8 MR. GOLDEN: No, it would not.

9 VICE CHAIRMAN ROHY: Could the same
10 runway sustain a different type of aircraft, or
11 would the runways need to be altered?

12 MR. GOLDEN: Well, my understanding,
13 being a former Air Force Base, when you say have
14 to be altered, I believe that both runways have an
15 instrument landing system set up, so a large
16 aircraft like this could land at either one of
17 these runways and the structural strength of the
18 runway could easily handle these types of cargo
19 type aircraft.

20 VICE CHAIRMAN ROHY: Would they need to
21 be wider, the runways?

22 MR. GOLDEN: I don't believe so, no.

23 VICE CHAIRMAN ROHY: The reason I ask
24 the question is my home is in San Diego County,
25 and there's a Miramar Air Force Base, actually

1 it's a Navy Base now, a Marine Base, and the local
2 people have considered using that for a city
3 airport. The military doesn't agree.

4 But the issue is they said if they were
5 to use that for a Base, and 747s were to land,
6 they would have to rip up all the runways and put
7 new runways in. The implication was that they
8 couldn't take the load of larger aircraft.

9 Would you foresee, under a logistics --
10 this is maybe way out of your area of expertise,
11 and I apologize -- that larger aircraft -- forget
12 it. It's not your area.

13 (Laughter.)

14 HEARING OFFICER VALKOSKY: Last
15 question. Mr. Flores, is it your understanding
16 that CURE agrees with your analysis of potential
17 ammonia transportation problems and the conditions
18 that you have imposed?

19 MR. FLORES: I have no idea at this
20 point.

21 HEARING OFFICER VALKOSKY: Okay, thank
22 you.

23 Ms. Holmes, any redirect?

24 MS. HOLMES: No.

25 HEARING OFFICER VALKOSKY: Okay.

1 Anything else for the witnesses from anyone?

2 Thank you, gentlemen.

3 MS. HOLMES: Ask that we move these
4 portions of staff's testimony into the record at
5 this point.

6 HEARING OFFICER VALKOSKY: We're talking
7 about exhibits 82 and 84?

8 MS. HOLMES: Those portions that they
9 sponsored, yes.

10 HEARING OFFICER VALKOSKY: Is there
11 objection?

12 MR. THOMPSON: None.

13 HEARING OFFICER VALKOSKY: No objection,
14 we'll admit those into evidence.

15 (Whereupon, exhibits 82 and 84 were
16 received in evidence.)

17 HEARING OFFICER VALKOSKY: Ms. Reynolds,
18 does CURE have any dispute with staff's analysis
19 of the potential ammonia transportation problems
20 or the conditions of certification which staff
21 proposes?

22 MS. REYNOLDS: I can't speak to the
23 technical aspects of it, but we don't have any
24 issues to raise here.

25 HEARING OFFICER VALKOSKY: Thank you.

1 Is there anything else on the area of traffic and
2 transportation? Public comment? Anything from
3 anyone here present?

4 None? Thank you.

5 Okay, at this time, rather than taking a
6 recess we'll take a lunch break and return at ten
7 to one.

8 (Whereupon, at 11:40 a.m., the hearing
9 was adjourned, to reconvene at 12:50
10 p.m., this same day.)

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1 AFTERNOON SESSION

2 1:00 p.m.

3 HEARING OFFICER VALKOSKY: Good
4 afternoon. On this afternoon's agenda are
5 socioeconomics and alternatives. Is there any
6 preference for the order in which we address those
7 topics?

8 MS. HOLMES: None.

9 MR. THOMPSON: None.

10 (Off-the-record comments.)

11 MS. HOLMES: Sounds to me like we'd like
12 to take socio first.

13 HEARING OFFICER VALKOSKY: Okay, we'll
14 do that. And in the matter of housekeeping, I
15 learned over the recess that the Department of
16 Fish and Game has some clarification to offer on a
17 future witness. Mr. Adams.

18 MR. ADAMS: Thank you. My name is Steve
19 Adams. I'm the staff counsel for Department of
20 Fish and Game. And we'll be representing the
21 Department at next week's hearings on water and
22 biology.

23 Tom Bilhorn, our witness on water, is
24 unavailable, underwent surgery I'm not sure
25 exactly when, a couple of weeks ago, I believe.

1 And will be in recovery for some more weeks.

2 In light of that it would be helpful to
3 know what to focus our efforts on during the next
4 week to know whether any of the other parties or
5 intervenors intend to -- well, insist on a right,
6 I guess, to cross-examine Mr. Bilhorn.

7 Mr. Bilhorn will be unavailable, but my
8 understanding is that his prepared testimony can
9 be entered into evidence by declaration is no one
10 requests or insists on cross-examination.

11 So, if the parties and intervenors are
12 able to indicate whether they want that right of
13 cross-examination, and if so, what subject areas,
14 that might be helpful for my efforts over the next
15 few days.

16 HEARING OFFICER VALKOSKY: Okay, thank
17 you. Mr. Thompson.

18 MR. THOMPSON: Thank you. We will
19 stipulate to the testimony and waive any cross-
20 examination that we may have. And I think that in
21 fairness to Fish and Game, they have undergone
22 substantial time and effort in this project.

23 Mr. Bilhorn, counsel's office in Fish
24 and Game were instrumental in working with the
25 Commission and ourselves, Mr. Bilhorn and others,

1 in reaching what I would consider to be a fair
2 accommodation on the water issue.

3 And having gone 99 yards I would hate to
4 see his testimony not lap the extra yard into the
5 end zone to carry that analogy to an absurdity.

6 (Laughter.)

7 MR. THOMPSON: And for that matter, we
8 would stipulate, and I guess I would offer a
9 suggestion that if there are questions by any
10 party maybe we can find an alternate way of having
11 responses to questions put into the record. And
12 maybe the questions can be made to Fish and Game
13 in general, and they could prepare written
14 responses before next week or something.

15 I would encourage the Committee to be
16 creative in allowing the testimony in, while not
17 requiring Mr. Bilhorn's presence.

18 HEARING OFFICER VALKOSKY: Ms. Holmes.

19 MS. HOLMES: Thank you. I concur with
20 what Mr. Thompson said without referring to the
21 football analogy.

22 (Laughter.)

23 MS. HOLMES: We'd like to see the
24 testimony in the record, as well. And we believe
25 it's an important part of the efforts that the

1 parties have made to this proceeding. And we
2 don't have any cross-examination of Mr. Bilhorn.
3 And if any parties do, we'd really like to see
4 either the solution that Mr. Thompson suggested,
5 or some other solution come up so that we can
6 preserve Mr. Bilhorn's contribution to this
7 proceeding.

8 HEARING OFFICER VALKOSKY: Ms. Reynolds.

9 MS. REYNOLDS: We agree with the
10 statements of Applicant and staff and will
11 stipulate to the testimony and have no need to
12 cross.

13 HEARING OFFICER VALKOSKY: Mr. Ledford.

14 MR. LEDFORD: I hate to be the fly in
15 the ointment, but I consider Mr. Bilhorn an
16 indispensable witness. And I have from the
17 beginning. He is integral in the water issues in
18 the Valley. He's very knowledgeable. And cross-
19 examination of him is imperative to issues that I
20 have before the Commission.

21 I will say at this point that I'm
22 willing to see what happens with the balance of
23 the issues relative to water and biological
24 resources on the 7th and the 8th, and think if at
25 that time there is some way I can stipulate, I

1 will. But at this point I certainly can't.

2 HEARING OFFICER VALKOSKY: Is there any
3 way you can prepare your questions over the next
4 day or two and submit them to Fish and Game?

5 MR. LEDFORD: No, sir, I can't. Not at
6 this time.

7 MR. ADAMS: If I could jump in, there
8 are actually two main pieces of testimony here.
9 One is -- I do have the dates -- the original
10 testimony that he prepared -- well, rather than
11 take the time to find the right page -- that would
12 have been in August.

13 And then there was rebuttal testimony
14 submitted in September, September -- August 16th
15 was the date of his original testimony. And the
16 rebuttal I'm not sure, I think it was September
17 2nd, sometime around there.

18 MS. HOLMES: I believe it's August 22nd,
19 it's exhibit 96, on the current exhibit list. I
20 think we all know what --

21 MR. ADAMS: Okay.

22 MS. HOLMES: -- what evidence you're
23 talking about.

24 MR. ADAMS: So, there are two different
25 distinct pieces of testimony. I don't know if

1 Mr. Ledford would -- if your interest in cross-
2 examining the witness applies to both pieces of
3 testimony, or only one of them?

4 MR. LEDFORD: Well, I really apologize,
5 I hadn't come today prepared to even -- I haven't
6 reviewed his testimony and I don't have it with me
7 to look at. Mr. Bilhorn sits with me on the
8 advisory board of the Mojave Water Agency. He's
9 one of the board members, and we share a lot of
10 dialogue relative to those issues.

11 We share other issues that are
12 collateral to this, for instance what's going on
13 with the Victor Valley Wastewater Authority and
14 the reuse of reclaimed water.

15 I mean there's a number of issues, and
16 I'm not sure exactly how they dovetail at this
17 very instant, because I haven't prepared to cross-
18 examine him at this instant.

19 I know that the issues are significant
20 and relevant.

21 HEARING OFFICER VALKOSKY: Okay, you are
22 aware, though, Mr. Bilhorn's testimony, at least
23 as I have it, focuses on the issue of biological
24 resources and not the larger water supply issues?

25 MR. LEDFORD: To the extent that his

1 testimony would provide for that opportunity for
2 cross-examination, we would certainly want to do
3 that. If it doesn't, then we'll have to deal with
4 that. I'm just not prepared to tell you where I'm
5 at today. I didn't come prepared.

6 HEARING OFFICER VALKOSKY: And that's
7 understood. And you do have a right to cross-
8 examine any witness who is sponsoring evidence
9 into the record. That was one of the things
10 you've gained by intervening in this proceeding.

11 I think the only solution that we can
12 achieve now is we can have the testimony offered
13 next Thursday on biological resources, on the 7th,
14 and Mr. Ledford, at that time it will be your
15 decision whether you wish to cross-examine the
16 witness.

17 At that point we have a couple of
18 options. If there's a sustainable objection to
19 the admission of Mr. Bilhorn's testimony, the
20 Committee has the option of denying admission. It
21 can, however, nevertheless be entered into the
22 record in what we term as public comment. It can
23 be used to expand the evidence of record but the
24 Committee could not base a finding solely upon
25 that testimony.

1 If, however, you stipulate to the
2 admission of the exhibits, then they will be
3 entered as evidence.

4 MR. LEDFORD: If I might just suggest
5 that we take biological last in order for the
6 purpose of trying to resolve other issues. That
7 might be easier for me to make a determination at
8 that point.

9 HEARING OFFICER VALKOSKY: And that's
10 certainly a discussion we'll be prepared to have
11 on the 7th.

12 MR. LEDFORD: Okay, that's fine.

13 MS. HOLMES: I'm sorry, are we asking to
14 change the order of the hearings on Thursday so
15 that biology is discussed?

16 MR. LEDFORD: It's currently set for
17 first, I think.

18 MS. HOLMES: That's correct. I think --

19 HEARING OFFICER VALKOSKY: Yes.

20 MS. HOLMES: -- are you asking that it
21 be moved to --

22 MR. LEDFORD: To last.

23 HEARING OFFICER VALKOSKY: And I'm
24 saying that's a discussion we could have next
25 week. Right now, the agenda is as contained in

1 the hearing order.

2 MS. HOLMES: Well, we'll just let you
3 know that we will have to know before we make
4 plans to go down to Victorville, which witnesses
5 need to be present on which day. So if we're
6 going to be changing the order of air, dry
7 cooling, biology and water, it would help us to
8 know ahead of time, because we're not planning to
9 have all of the witnesses down for all of the two
10 days.

11 HEARING OFFICER VALKOSKY: I understand.

12 MR. BUELL: I'd also like to add that
13 our biological witness was not planning on being
14 available on Friday unless it was necessary to
15 continue the hearings on biology.

16 HEARING OFFICER VALKOSKY: Okay, well,
17 Mr. Thompson, do you have any preferences?

18 MR. THOMPSON: We were discussing the
19 number of biology witnesses that are going to be
20 there for the first day of our hearings. I
21 suspect I would echo staff's concern about
22 changing the order.

23 I would urge Mr. Ledford, I think, to be
24 compassionate. And to that end, possibly if he
25 could come armed with his questions and areas

1 where he has concerns, and maybe raise them at the
2 hearings next week so that Fish and Game counsel
3 could seek clarification where that would be
4 appropriate.

5 We would not be averse to a late-filed
6 exhibit which would contain Fish and Game
7 responses to those questions.

8 I don't know if that would satisfy the
9 Committee or Mr. Bilhorn, or, for that matter,
10 Fish and Game. But I'm looking for a way that we
11 can get the testimony in, given the circumstances
12 we're in.

13 HEARING OFFICER VALKOSKY: Well, again,
14 you know, certainly one of the options, and again
15 I think this will come at such a time as there is
16 an objection to the admission of the exhibit. But
17 if Mr. Ledford decides that he wants to exercise
18 his right to cross-examine, that can be postponed
19 to a subsequent hearing date, if necessary, too.

20 MR. THOMPSON: And that obviously is
21 part of our difficulty is we are pretty steadfast
22 in our belief that we would like to close the
23 hearings, close the record next week.

24 HEARING OFFICER VALKOSKY: I understand
25 that, and, again, it would reflect on the weight

1 that would be accorded Mr. Bilhorn's testimony.

2 Right now I think it's probably best to
3 preserve the agenda as it exists, which would be
4 for next week, start off with Mr. Hughes on
5 socioeconomics, and then move into air, biology,
6 water, dry cooling. Everyone's made plans based
7 on those. That's probably the most practical way
8 to approach it.

9 Mr. Adams, will you or a representative
10 of the agency be present next Thursday?

11 MR. ADAMS: Yes.

12 HEARING OFFICER VALKOSKY: Okay.

13 MR. ADAMS: Rebecca Jones will be our
14 biology witness that day.

15 HEARING OFFICER VALKOSKY: Okay.

16 MR. ADAMS: Okay? Thanks.

17 HEARING OFFICER VALKOSKY: Thank you.

18 Okay, any further discussion on the
19 housekeeping matters?

20 Okay, with that the topic that we'll
21 take next is socioeconomics. Mr. Thompson.

22 MR. THOMPSON: Thank you. Applicant
23 would like to call Mr. Kreg McCollum to the stand.
24 Mr. McCollum has not been sworn.

25 //

1 Whereupon,

2 S. KREG K. McCOLLUM

3 was called as a witness herein and after first
4 being duly sworn, was examined and testified as
5 follows:

6 DIRECT EXAMINATION

7 BY MR. THOMPSON:

8 Q Please state your name for the record.

9 A Kreg McCollum.

10 Q And are you the same Kreg McCollum that
11 has submitted prepared direct testimony that is
12 now contained in exhibit 95 to this proceeding?

13 A Yes.

14 Q Do you have any corrections, additions
15 or deletions to make to that material?

16 A No, I do not.

17 Q Would you please briefly summarize your
18 testimony in this proceeding.

19 A As part of the application for
20 certification of the High Desert Power Project the
21 socioeconomic analysis was performed by Navigant
22 Consulting for the Applicant.

23 The socioeconomic analysis examines
24 expected impacts to the local and regional areas
25 due to construction and operation of the project.

1 Examined impacts include impacts to population,
2 employment, housing, public services, utilities
3 and facilities, schools and the economic base.

4 No impacts were identified as
5 significant as a result of this analysis.
6 Increases in public service requirements are
7 expected to be adequately paid for through
8 development impact fees.

9 And in addition, several mitigation
10 measures are planned in an effort to limit the
11 need for increased public services. These
12 measures are described in the application for
13 certification.

14 Q Thank you. In your testimony you state
15 that you are employed by RMI, but you recently,
16 just two minutes ago used the term Navigant.
17 Would you explain to all of us --

18 A Well, my apologies. Navigant Consulting
19 is a new name for the firm that encompasses RMI,
20 which is Resource Management International. It's
21 the same firm, just a new name.

22 Q Thank you very much.

23 MR. THOMPSON: Mr. McCollum is tendered
24 for cross-examination.

25 HEARING OFFICER VALKOSKY: Ms. Holmes.

1 MS. HOLMES: No questions.

2 HEARING OFFICER VALKOSKY: Ms. Reynolds.

3 MS. REYNOLDS: No questions.

4 HEARING OFFICER VALKOSKY: Mr. Ledford.

5 MR. LEDFORD: Thank you.

6 CROSS-EXAMINATION

7 BY MR. LEDFORD:

8 Q Mr. McCollum, is that --

9 A Yes.

10 Q You've testified that you did a study on
11 local and regional impacts. And I note that the
12 majority of the impacts that are in the city focus
13 on Victorville and Adelanto. Can you tell me why
14 that is?

15 A Victorville and Adelanto are considered
16 the local area, and the key impacts that are
17 involved with the local area would be impacts
18 including impacts to schools, public services,
19 direct impacts for tax base.

20 Q You're aware that this project lies
21 within the Redevelopment Agency known as VEDA?

22 A Yes.

23 Q And are you aware that the City of
24 Hesperia is a part of VEDA?

25 A No.

1 Q Are you aware that the City of Apple
2 Valley is a part of VEDA?

3 A Not directly.

4 Q Have you read the staff's testimony
5 relative to social and economic effects?

6 A Yes, I have.

7 Q On page 9 of staff's testimony dated
8 August 16th relative to schools, it says that
9 there are five school districts that provide
10 educational services in the Victor Valley,
11 encompassing the Cities of Victorville, Adelanto,
12 the Town of Apple Valley and Lucerne Valley.

13 I mean would that give you some hint
14 that there was other schools that were impacted?

15 A Yes.

16 Q Is it a true statement that the only
17 fees that, revenues that are being generated out
18 of this project, this High Desert Power Project,
19 to support the local communities go to either the
20 Victorville or the Adelanto agencies?

21 A Have to ask the project team on that if
22 that is correct. I do not know for sure.

23 Q One of the areas that you testified
24 about was public services. As a part of that did
25 you review the condition of water within the

1 regional area?

2 A No, that's part of the project
3 development, to acquire water if it is available
4 and adequate to meet the project.

5 Q My question to you, sir, is without
6 water will a population grow?

7 MR. THOMPSON: If he knows.

8 THE WITNESS: I do not know. It can,
9 like many things, be a constricting factor, but I
10 do not know in this case.

11 BY MR. LEDFORD:

12 Q You wouldn't think a fundamental means
13 for growing a population is the availability of
14 water?

15 A There are many fundamental means for
16 growing a population, and I --

17 Q But you don't --

18 A -- and, again, I said it can be a
19 constricting factor. I do not know in this case
20 if it is or is not.

21 Q When the project is fully completed how
22 many jobs will be created by this project?

23 A I believe the sustainable jobs is 27, if
24 I'm correct.

25 Q And do you consider the 27 new jobs to

1 this community as a significant positive benefit?

2 A Actually I don't believe we said
3 significant. I believe it's a positive impact.
4 We suggest that there is no significant negative
5 impact.

6 Q If there was some area of this project
7 that affected public services, affected the
8 ability of the cities that are within the VEDA
9 area, to serve their population and grow their
10 population, and this project directly affected
11 that ability, would you consider that to be a
12 significant environmental impact?

13 A I'm going to have to ask you to repeat
14 that one more time, I'm not sure I followed it
15 entirely.

16 Q Let me try and structure a hypothetical.
17 It's the first time I've ever done this. I read
18 it in a book, though.

19 Assume for the moment that this area is
20 a water-short area, this is a hypothetical. And
21 that it needs all of the water that it can
22 possibly deliver to meet its current demands, and
23 for whatever future growth that it would have.

24 If you take 4000 acrefeet of water away
25 from this area, would that be an economic

1 detriment to this area?

2 A Not necessarily, not as long as there is
3 already that water available at this time.

4 Q You missed the hypothetical. I said
5 there is not water available.

6 A I guess I'm at a loss to think of where
7 they might have gotten the water for the project
8 if it's not available.

9 Q I share that same --

10 A I --

11 Q I share that. The hypothetical again is
12 if it takes water to grow the population, and if
13 4000 acrefeet is -- and you have a choice, here's
14 the choice. You have a choice of evaporating the
15 water into the atmosphere, or you have a choice of
16 building the population, using that water to
17 expand the population. If you had no other source
18 of water other than the state project water to
19 deliver the water, and you were given one of those
20 two choices. And you used the water for
21 evaporation. Would it be a negative economic
22 impact to this valley not to use the water for
23 growing the population?

24 A I'd have to say no. I don't know -- I
25 think I understand where you're going, but I'm not

1 sure that you can make that kind of a supposition
2 into the future, which is what you would need to
3 do in this case.

4 I'm not prepared to make that
5 supposition as to what would require growth in the
6 future; and if, in fact, water would be the
7 limiting factor for that growth.

8 Q The hypothetical was one of two choices.
9 Either to use the water for population growth or
10 use the water through a cooling tower for
11 evaporation.

12 And if you had one of two choices, and
13 you're my chief financial officer on my board of
14 directors and you're saying to me, I'm a builder,
15 and I'm saying, given these two choices and the
16 economic development of this community, I can
17 either use this water and put it through a cooling
18 tower, or I can use this water and build homes
19 which will generate tax base, isn't that true?

20 A They may. They may also require
21 services, as well.

22 Q And they will require services. And
23 they create jobs, those people --

24 A Well, -- go ahead.

25 Q They create jobs assuming that they live

1 there, and they're not vacant. If we have job
2 creation we generally have industry. Yes or no?

3 A Again, I think -- I'm going to say no.
4 And the reason I'm going to say no is because I
5 think you are looking at so many different
6 variables at this point. What you can say is
7 that, in fact, if you evaporate this water you
8 have created a certain amount of jobs, there are,
9 you know, there is a viable reasonable use for
10 that water.

11 And if, in fact, the thought were that
12 you want to build more houses, building houses in
13 and of themselves does not grow the economic base.
14 If that were the case I believe there's at least
15 4500 vacant homes right now just in Adelanto and
16 Victorville. Those would be filled.

17 Q I think your numbers might be slightly
18 out of date, but there are still some vacant homes
19 up there.

20 On page 18 of the staff's testimony
21 under cumulative impacts, they tell us that VEDA
22 is a Joint Powers Authority and its development
23 plan encompasses the land area that falls within
24 the legislative jurisdictions of the Cities of
25 Hesperia, Victorville, the Town of Apple Valley

1 and the unincorporated areas of San Bernardino
2 County.

3 And I would like to go back to my
4 original question and that is why is the only
5 economic benefit that is being derived is
6 forecasted within the four corners of all this
7 testimony to the City of Victorville and the City
8 of Adelanto, and their school districts?

9 A I think the issue is that what we're not
10 looking at so much is claiming a monumental
11 economic benefit as we are identifying if there
12 are, in fact, some negative impacts, significant
13 negative impacts due to this project.

14 And with the building being directly
15 where it is at the Southern California Logistical
16 Airport, we used Adelanto and Victorville as the
17 local area. That does not mean that, you know,
18 the other areas may not receive some impact, some
19 positive impacts, but they should not receive any
20 negative impact.

21 Q You don't believe that the positive
22 impacts is disproportional to the Victorville area
23 as opposed to the other areas that participate in
24 the VEDA redevelopment plan, which this project is
25 a part of?

1 A I have no opinion on that.

2 MR. LEDFORD: All right, I have no
3 further questions.

4 EXAMINATION

5 HEARING OFFICER VALKOSKY: Mr. McCollum,
6 how many months after certification, assuming it
7 is granted, would project construction commence?

8 THE WITNESS: I will have to defer and
9 ask that question of the project team, project
10 manager.

11 HEARING OFFICER VALKOSKY: Okay. Again,
12 and I'm a little bit confused because throughout
13 various portions of the testimony I've seen the
14 construction period estimated at 15, 18 or 24
15 months. Okay, --

16 MR. THOMPSON: If I may, Mr. Valkosky, I
17 will validate this when I put Mr. Barnett on the
18 stand, but if you want to assume three or four
19 months after certification for the purposes of
20 your question I think that that would be a good
21 number to use.

22 HEARING OFFICER VALKOSKY: Are you going
23 to call Mr. Barnett as part of this, too?

24 MR. THOMPSON: Yes.

25 HEARING OFFICER VALKOSKY: Okay, fine.

1 MR. THOMPSON: Well, he was actually
2 going to be up on alternative, and I was going to
3 slide in a couple issues that have already come
4 up. And I can do this at the same time.

5 HEARING OFFICER VALKOSKY: Okay, that'll
6 be fine. I'll hold my questions till then.

7 Mr. McCollum, are you familiar for which
8 fees, taxes, et cetera, the project will receive
9 waivers or credits?

10 THE WITNESS: My understanding is that
11 the waivers -- and I'll ask for clarification
12 again -- but the waivers for impact fees have been
13 set aside by the project, if that's correct. I
14 believe that was one of the certification --
15 there's -- I'm going to pass and I'm going to ask
16 the gentlemen over there because they're more
17 familiar with that, quite frankly.

18 HEARING OFFICER VALKOSKY: Okay.

19 THE WITNESS: That's an issue of
20 bargaining basically with the areas.

21 HEARING OFFICER VALKOSKY: Okay, so the
22 gentleman, Mr. Thompson, the gentleman again would
23 be Mr. Barnett that could answer questions
24 concerning any tax credits, fee waivers, things
25 like that? Basically what I'm looking for is what

1 revenues would actually be generated by the
2 project to the city and company areas.

3 So, is Mr. Barnett the one to ask that?

4 MR. THOMPSON: We will try. Sitting to
5 his immediate right is Mr. Welch who may know more
6 and I may ask that he be sworn if it will give the
7 Committee a more complete answer.

8 HEARING OFFICER VALKOSKY: Okay, I'll
9 leave that to your option.

10 THE WITNESS: If it helps there are also
11 requests for data that are similar to that that
12 the CEC raised earlier, CEC staff, and we have
13 responses to those that suggest what the impact
14 fees are based on square footage of the plant and
15 so forth.

16 HEARING OFFICER VALKOSKY: Okay, I'll
17 pursue this later then.

18 Any redirect, Mr. Thompson?

19 MR. THOMPSON: Just one thing I forgot.

20 REDIRECT EXAMINATION

21 BY MR. THOMPSON:

22 Q Mr. McCollum, you have reviewed the
23 staff's testimony in this area and its conditions
24 of certification and verification, and do you
25 recommend to the High Desert Project that they

1 accept those conditions and verifications?

2 A I do.

3 Q Thank you.

4 MR. THOMPSON: That is all I have.

5 HEARING OFFICER VALKOSKY: Any other
6 questions for Mr. McCollum? Thank you.

7 THE WITNESS: Thank you.

8 HEARING OFFICER VALKOSKY: Do you want
9 to put on another witness on socio now, Mr.
10 Thompson?

11 MR. THOMPSON: Mr. Barnett is scheduled
12 to go on in alternatives, and I have about five
13 different questions in different areas --

14 HEARING OFFICER VALKOSKY: No, what I
15 was referring to is you also --

16 MR. THOMPSON: Do we have --

17 HEARING OFFICER VALKOSKY: -- indicated
18 Mr. Welch may be able to testify in some of these
19 areas?

20 MR. THOMPSON: No, I have been assured
21 by my boss to my right that he can handle this
22 question.

23 (Laughter.)

24 HEARING OFFICER VALKOSKY: Okay, fine,
25 we'll look forward to that in alternatives, then.

1 (Laughter.)

2 HEARING OFFICER VALKOSKY: Staff.

3 MS. HOLMES: Staff's witness in
4 socioeconomics is Amanda Stennick. She's not yet
5 been sworn.

6 Whereupon,

7 AMANDA STENNICK
8 was called as a witness herein, and after first
9 having been duly sworn, was examined and testified
10 as follows:

11 DIRECT EXAMINATION

12 BY MS. HOLMES:

13 Q Good afternoon, Ms. Stennick.

14 A Good afternoon.

15 Q Did you prepare the socioeconomic
16 testimony that's been provided in a document
17 that's been identified as exhibit 87?

18 A Yes, I did.

19 Q And are copies of witness qualifications
20 included in the staff assessment which has been
21 identified as exhibit 82?

22 A Yes.

23 Q Do you have any corrections to your
24 testimony?

25 A Yes, I do. On page 19 --

1 Q Exhibit 87?

2 A Exhibit 87, under the heading
3 conclusion, --

4 Q Yes.

5 A -- the last paragraph should read,
6 "Energy Commission Staff concludes that the High
7 Desert Project will not significantly affect the
8 local schools." The rest of the paragraph should
9 be deleted.

10 Q Thank you. And with those corrections
11 are the facts contained in your documents that you
12 are sponsoring true and correct?

13 A Yes.

14 Q And do the opinions contained in the
15 documents you are sponsoring represent your best
16 professional judgment?

17 A Yes, they do.

18 MS. HOLMES: Ms. Stennick is available
19 for cross-examination.

20 HEARING OFFICER VALKOSKY: Mr. Thompson.

21 MR. THOMPSON: No questions, thank you.

22 HEARING OFFICER VALKOSKY: Ms. Reynolds.

23 MS. REYNOLDS: No questions.

24 HEARING OFFICER VALKOSKY: Mr. Ledford.

25 MR. LEDFORD: Thank you.

1 CROSS-EXAMINATION

2 BY MR. LEDFORD:

3 Q Ms. Stennick, you've heard some of my
4 examination of the last witness, I'm certain,
5 since you were in the room. You're aware that
6 this High Desert Power Project is a part of VEDA?

7 A Yes.

8 Q Do you know what VEDA is?

9 A Yes, I do. Victor Valley Economic
10 Development Authority.

11 Q And do you know the participants in the
12 Victor Valley Economic Development Authority?

13 A Participants?

14 Q Yes.

15 A Well, VEDA encompasses Victorville,
16 Adelanto, Hesperia, Apple Valley and I believe
17 some other unincorporated areas of the county, if
18 that's --

19 Q That's consistent with your testimony.
20 Do you believe that those same jurisdictions are
21 also participants, part of the Joint Powers
22 Authority, maybe that's a better question.

23 A Yes, if they encompass the regional
24 development plan for VEDA.

25 Q Can you explain to me why the only

1 direct economic benefit goes primarily at least to
2 Victorville and to Adelanto?

3 A Well, I'm not quite sure that that
4 statement is correct. The revenues from the
5 project will affect several taxing entities within
6 that taxing area in the redevelopment plan.

7 And some of those include several
8 schools within the area, Victor Valley Community
9 College, Adelanto Elementary, Victor Valley High
10 School, the County Superintendent of Schools, and
11 the Victor Valley Community College.

12 Q Correct. What about the Apple Valley
13 School District?

14 A Well, the Apple Valley School District,
15 I'm not sure if they will be receiving direct
16 revenues from the project. If -- I don't know the
17 answer to that question. Perhaps they would
18 receive some of the funds from the County
19 Superintendent of Schools, some of the funds would
20 be reallocated to that school district.

21 Q But you don't know that?

22 A I don't know that.

23 Q Would your testimony be the same for the
24 Hesperia School District?

25 A Yes.

1 Q The previous testimony by the previous
2 witness was that the reason that Victorville and
3 Adelanto got the majority of these funds was
4 because they were closest to the project site.
5 Would that be your testimony as well?

6 A I'm not sure what you mean by the
7 majority of the funds. We looked at the immediate
8 area, the local area because that was the
9 assumption that most of them, the indirect
10 benefits through purchasing of local equipment and
11 supplies through secondary economic benefits would
12 occur in those two cities because they are closest
13 to the project area.

14 Q But the jobs that would be -- the 27
15 jobs that would be generated at the completion of
16 the plant, you have no knowledge as to where those
17 people would actually reside?

18 A Well, no, I don't have direct knowledge
19 as to where those folks might reside. I could
20 assume that since Victorville is the city with the
21 largest population and has the most services that
22 they would live in Victorville. Or else commute.

23 Q Can you point me to where you have, I
24 think you have a graph on population, but --

25 MS. HOLMES: There's a total population

1 graph on page 5 of the testimony. A table, excuse
2 me.

3 BY MR. LEDFORD:

4 Q The latest census would indicate that I
5 guess in 1995 that Hesperia and Victorville had
6 about the same population with Apple Valley only
7 slightly behind.

8 A Yes, according to the population table,
9 that's correct.

10 Q So they're not necessarily the largest
11 city, even in your forecast for 2000, Hesperia has
12 a larger population than Victorville.

13 A That's correct.

14 Q I had submitted some rebuttal testimony
15 on CURE's witness who is unavailable today, and
16 the focus of that testimony was the use of water.

17 Did you have a chance to look at that
18 rebuttal testimony? Was that made available --

19 A Yes, yes, I did.

20 Q And the focus of that was that if you
21 take 4000 acrefeet of water that could be utilized
22 for housing or curing an overdraft, in either
23 case, but in this -- my testimony I used housing.

24 Would you concur that it takes water to
25 build housing?

1 A Well, I discussed this issue with Joe
2 O'Hagan who did the water testimony, and it was
3 decided that he would be the more appropriate
4 staff person to address the issue.

5 But based on his water testimony I
6 understand that in the near term that's not the
7 case, because none of the municipalities in the
8 area either use now or plan to use state water
9 project water. And if they did they would have to
10 build treatment facilities to use that water.

11 So, to answer your question, whether or
12 not these municipalities would use state water
13 project water in the future is speculative and not
14 part of my staff analysis.

15 And I also understand from Joe O'Hagan's
16 testimony that most of the uses would have
17 priority over High Desert. So, if there might be
18 a conflict over water use, High Desert would be
19 the first ones to lose that water.

20 Q Did you read staff's testimony on soil
21 and water?

22 A I read portions of it, yes.

23 Q In one part of their testimony they
24 concede that in order to cure the overdraft the
25 Mojave Water Agency does not have enough state

1 project water entitlement in order to do that.

2 Did you read that part of his testimony?

3 A No.

4 Q You did not. I'd like to try this
5 again, try structuring the hypothetical.

6 If you were given a choice, you've told
7 me that the municipalities in Mr. O'Hagan's
8 opinion, have priority over the water, and if it
9 needs to go to housing that they're going to get
10 it anyway. I am putting words in your mouth, and
11 I apologize for that.

12 Assuming you had the choice of
13 evaporating the water or building housing for
14 economic growth, what would be the preference?

15 MS. HOLMES: I'm going to object to that
16 question. Ms. Stennick can answer questions about
17 the socioeconomic impacts of the project, and
18 about hypotheticals having to do with
19 socioeconomic impacts. And I don't believe that
20 the question is either one of those.

21 HEARING OFFICER VALKOSKY: Mr. Ledford,
22 any response?

23 MR. LEDFORD: Well, the answer is yes, I
24 do. I think that the water in the State of
25 California is an extremely important issue, and

1 it's an issue that is much more broad-based than
2 the local Mojave Water Agency. And I think that
3 there are a lot of people in this capital area
4 that are extremely concerned about water. And
5 concerned about having water for growth.

6 You can have all the power plants you
7 want, you can build all the 35 power plants that
8 are out there, but if you don't have water for
9 growth you're not going to have anyplace to sell
10 that power.

11 And I think that burying our heads into
12 the sand as to what the economic benefits are for
13 water that can be put into the communities to
14 sponsor growth as opposed to vaporizing it,
15 especially when the issue has been raised, is a
16 mistake.

17 HEARING OFFICER VALKOSKY: Okay, but --

18 MR. LEDFORD: And we've sponsored --
19 staff has sponsored this witness as a social and
20 economic expert and I think that she could render
21 an opinion. If she --

22 HEARING OFFICER VALKOSKY: Well, why
23 don't we -- I mean this line of questioning seems
24 to me to be very appropriate for the water
25 witness, which we're going to deal with.

1 I think maybe the question that you want
2 answered, and I don't know if Ms. Stennick can
3 answer it or not, is from a socioeconomic
4 perspective, is it your opinion that water is best
5 used for industrial or residential development.

6 THE WITNESS: Are you giving me a choice
7 of --

8 HEARING OFFICER VALKOSKY: I'm giving
9 you a choice, yes.

10 (Laughter.)

11 THE WITNESS: -- of industrial or
12 residential development?

13 HEARING OFFICER VALKOSKY: Yes.

14 THE WITNESS: Well, it certainly depends
15 on the region and it certainly depends on the
16 expected growth rate of the region, taking into
17 consideration the population, taking into
18 consideration jobs/housing balance.

19 It's very very difficult to isolate one
20 factor and build a case around that and say water
21 is more of a beneficial use for residential users
22 as opposed to industrial uses, or other municipal
23 uses of water.

24 HEARING OFFICER VALKOSKY: Is that what
25 you were looking for, Mr. Ledford?

1 MR. LEDFORD: Not exactly, but I'll
2 accept that answer, though.

3 HEARING OFFICER VALKOSKY: Okay.

4 MR. LEDFORD: Maybe I could get off that
5 topic slightly.

6 BY MR. LEDFORD:

7 Q When you amended your testimony to state
8 that staff didn't believe that there was going to
9 be any cumulative impact, I think, on schools, was
10 that --

11 A That's correct.

12 Q This project is a growth-inducing
13 project?

14 A A growth-inducing project? It's growth
15 inducing for the construction industry. There
16 will be probably 400 construction workers there.
17 Maybe in excess of that during peak construction.

18 It will, as was already stated, have 27
19 full-time employees.

20 Q Do you believe the project located
21 within the Victor Valley Economic Development
22 Authority will be a growth-inducing project, that
23 it will sponsor additional growth?

24 A I don't -- I'd have to refer to the VEDA
25 plan again, because that's what I based a lot of

1 my testimony on. It's not growth inducing as much
2 as a labor-intensive project would be.

3 Q Only for the term of construction, is
4 that what you -- is that your testimony?

5 A That's my testimony.

6 MR. LEDFORD: I have no further
7 questions.

8 EXAMINATION

9 HEARING OFFICER VALKOSKY: Ms. Stennick,
10 could you explain to me staff's criteria for the
11 deciding whether or not to proceed with an
12 environmental justice analysis?

13 THE WITNESS: That's -- when this
14 environmental justice analysis was done for this
15 project we were using a two-step screening
16 process, which first requires a review of the
17 census data to determine whether or not there is
18 an affected population in the area. And the
19 affected population would be 50 percent or greater
20 of minorities or low income.

21 HEARING OFFICER VALKOSKY: You said when
22 the analysis was performed, has staff since
23 changed its approach?

24 THE WITNESS: We're reconsidering that
25 approach based on USEPA's reconsideration of their

1 guidelines for doing an environmental justice
2 analysis.

3 HEARING OFFICER VALKOSKY: Okay, could
4 you explain that a little bit more for my benefit?
5 What would differ in a future staff approach?

6 THE WITNESS: Well, that's the meeting I
7 have to attend this afternoon and perhaps --

8 (Laughter.)

9 THE WITNESS: -- perhaps if you ask me
10 tomorrow --

11 (Laughter.)

12 HEARING OFFICER VALKOSKY: Okay. Your
13 testimony indicates that staff would be receptive
14 to any public input indicating that environmental
15 justice may be a concern in this case.

16 Has staff received any such input?

17 THE WITNESS: I have not received any
18 input.

19 HEARING OFFICER VALKOSKY: Okay. And is
20 it correct to characterize your testimony that the
21 school impacts have been mitigated to the extent
22 feasible?

23 THE WITNESS: The impacts to schools
24 were based upon the facts that there would be no
25 permanent immigrating population -- or excuse me,

1 population of construction workers who might bring
2 their school-aged children into the area.

3 Primarily because I think it's in
4 table -- table 9 indicates the number of workers,
5 construction workers by county. We reviewed San
6 Bernardino, Los Angeles and Riverside Counties,
7 which are the three counties in the project area.

8 And there's a more than adequate number
9 of workers to construct this project. Without
10 out-of-state workers coming in.

11 HEARING OFFICER VALKOSKY: Okay, but
12 even in the short term I assume some of these
13 workers may reside in the area and enroll school-
14 aged children, is that a logical assumption?

15 THE WITNESS: My analysis is based on
16 the fact that there were a significant number of
17 workers in the area who would not relocate their
18 families.

19 It's very very common for construction
20 workers to commute four hours, both ways, four
21 hours, for jobs. It's very common for
22 construction workers to stay in motels within the
23 project area and commute home on weekends.

24 So I did not anticipate an influx of
25 construction workers with school-aged children.

1 HEARING OFFICER VALKOSKY: Thank you.
2 Do you know for which fees, taxes, et cetera the
3 project will receive waivers?

4 THE WITNESS: That's a good question. I
5 made several phone calls to John Roberts and Mr.
6 Cox to get an answer to that question.

7 HEARING OFFICER VALKOSKY: And could you
8 explain to me first who John Roberts and Mr. Cox
9 are?

10 THE WITNESS: John Roberts is, I
11 believe, he has two jobs. He's with the City of
12 Victorville, and he's also the director for Victor
13 Valley Economic Development Authority.

14 When I spoke with Mr. Cox in 1998,
15 August 24, 1998, he told me that the city would
16 waive all of the development impact fees. And I
17 tried to again, when this project -- this project
18 has had quite a long discovery process.

19 HEARING OFFICER VALKOSKY: Yes, it has.

20 THE WITNESS: And, again, I tried to get
21 an update on that information from both Mr. Cox
22 and Mr. Roberts, and I made several attempts with
23 no results.

24 HEARING OFFICER VALKOSKY: Okay. How
25 about for tax credits or development incentives.

1 Do you have any updated information on either of
2 those?

3 THE WITNESS: Well, attachment A was
4 provided by -- the research for attachment A was
5 done by an economic group for the High Desert
6 Power Project. And they indicated that -- VEDA
7 has a number of pass-through agreements with
8 various taxing entities who will receive revenues
9 from taxes, and I indicated there's some school
10 districts. And let's see, other taxing entities
11 that are part of VEDA.

12 HEARING OFFICER VALKOSKY: Okay, so your
13 attachment A then is correct and current to the
14 best of your knowledge?

15 THE WITNESS: To the best of my
16 knowledge, yes.

17 HEARING OFFICER VALKOSKY: Thank you.

18 PRESIDING MEMBER LAURIE: Ms. Stennick,
19 in regards to the development authority, to your
20 knowledge has staff, either yourself or others,
21 received any written correspondence from the
22 development authority taking a position in support
23 or in opposition to this project?

24 THE WITNESS: I have not seen any
25 indication in support or opposition from VEDA.

1 PRESIDING MEMBER LAURIE: Thank you.

2 VICE CHAIRMAN ROHY: Ms. Stennick, in
3 your associated economic analysis have you taken a
4 look at what the supply of electricity from the --
5 if this plant were to be constructed, might do to
6 the local economy?

7 THE WITNESS: No, I did not consider
8 that in my analysis.

9 VICE CHAIRMAN ROHY: Thank you.

10 PRESIDING MEMBER LAURIE: Well, let me
11 follow up to Commissioner Rohy's excellent
12 question. I thought I heard the, as part of the
13 development plan for the airport, discussion of
14 quote, "cheap electricity" was an issue. And
15 therefore the airport was looking forward to the
16 placement of the power plant on site.

17 Is it your testimony that you did not
18 examine the impact of the availability of
19 electricity on the regional economy?

20 THE WITNESS: That's correct.

21 PRESIDING MEMBER LAURIE: Thank you.

22 HEARING OFFICER VALKOSKY: Any redirect,
23 Ms. Holmes?

24 MS. HOLMES: I have one question, I
25 believe.

1 REDIRECT EXAMINATION

2 BY MS. HOLMES:

3 Q Ms. Stennick, is it your testimony today
4 that there is a potential significant impact,
5 socioeconomic impact on either the Apple Valley
6 School District or the Hesperia School District?

7 A I'm sorry, could you repeat that?

8 Q Is it your testimony that there is a
9 potentially significant impact, socioeconomic
10 impact, on either the Apple Valley School District
11 or the Hesperia School District?

12 A No, it's not in my -- that's not the
13 results of my testimony. It appears from
14 attachment A that all of the school districts will
15 be receiving quite a few funds from property taxes
16 over the course of 30 years.

17 Q So is it your conclusion that there is
18 no significant impact on those two school
19 districts?

20 A That's correct.

21 MS. HOLMES: Thank you. I have no
22 further redirect.

23 HEARING OFFICER VALKOSKY: Recross, Mr.
24 Thompson?

25 MR. THOMPSON: Just one.

RECROSS-EXAMINATION

Q Ms. Stennick, when you spoke about environmental justice, what base document or guidance did you use in conducting your analysis?

Q And are they still valid today?

Q And your analysis used the April '98 update, is that right?

A You're familiar with the '98 guidelines?

Q So EPA and the agencies are in the process of developing guidelines and procedures and protocols to implement those guidelines, is that correct?

A Since the guidelines are a result of the

1 executive order, it's not law. So, I suppose
2 technically we're not required to mandate what's
3 not written as law.

4 The EPA is in flux at this time in terms
5 of updating their guidelines. We've asked for the
6 most recent draft, and it won't be available until
7 probably the first of the year.

8 Q Thank you, that's very helpful.

9 HEARING OFFICER VALKOSKY: Ms. Reynolds.

10 MS. REYNOLDS: No questions.

11 HEARING OFFICER VALKOSKY: Mr. Ledford.

12 MR. LEDFORD: Thank you, I have two.

13 RECROSS-EXAMINATION

14 BY MR. LEDFORD:

15 Q First, are you aware of what the tax
16 base in the -- basis is on the 20-acre, 25-acre
17 property, existing tax basis?

18 A Well, it's my understanding that it's 1
19 percent tax rate. And that based on that the
20 project would yield about \$3.25 million a year in
21 taxes.

22 Q Are you aware of whether or not this
23 property currently is paying, or has at anytime in
24 the past, paid any property taxes to the County of
25 San Bernardino?

1 A Well, prior to that it was owned by the
2 Federal Government, so there were no taxes paid.

3 Q And are they currently paying any taxes?

4 A Today?

5 Q Correct.

6 A On this 25 acres?

7 Q Correct.

8 A Well, I suppose that until the project
9 gets built they won't be assessed, and therefore
10 until they're assessed there would be no revenues
11 from that property.

12 Q Okay. And the second is back to the
13 Apple Valley and Hesperia School Districts where
14 you testified that -- your testimony is that there
15 would be no negative impact.

16 Is it your testimony you don't even know
17 if there's an Apple Valley or Hesperia School
18 District?

19 A Well, the schools that I took a look at,
20 again I'll refer to the table in the testimony,
21 Adelanto School District, Hesperia Unified School
22 District, the Victor Elementary School District,
23 the Snowline Joint Unified School District and the
24 Victor Valley Union High School District.

25 Q What page are you on, please?

1 A Page 9.

2 Q But no place on that list is the Apple
3 Valley School District or the Hesperia School
4 District?

5 A Well, there's a Hesperia Unified School
6 District.

7 Q Oh, I'm sorry, on page 9 -- someplace in
8 here you have a graph that shows where funds are
9 going, and I don't recall seeing that on that
10 graph. Can you help me?

11 A Are you referring to attachment A?

12 Q Could be. It's the one that shows where
13 the funds are -- you do have Hesperia on page 10,
14 and the enrollment, but what I'm suggesting is
15 that you show a positive benefit to certain school
16 districts, but other school districts aren't even
17 on the list. And that's -- not sure where it's at
18 now. I thought I had that right here. How about
19 page 17.

20 A Excuse me?

21 Q Page 17. You see where a lot of these
22 funds are going. Your attachment A is --

23 A This is for sales tax. This is not
24 property tax.

25 Q Okay. Do we have a specific one that

1 refers to property tax?

2 A That would be attachment A; it was
3 divided --

4 A Okay, and I think in attachment A, if
5 I'm correct in that, also there is no mention of
6 Hesperia or Apple Valley; it's Victorville,
7 there's the County, there's the college, Mojave
8 Water Agency, low-income housing, but there's no
9 mention of either the Hesperia School District or
10 the Apple Valley School District.

11 A That's correct, I stated earlier that I
12 did not know if Hesperia, based on this table I do
13 not know if Hesperia will receive funds directly.
14 I said they might go through the County
15 Superintendent of Schools.

16 Q Your testimony is you don't know, then,
17 I mean you're speculating?

18 A That's correct.

19 Q You don't know that. So, while there
20 may or may not be any negative impact, at least
21 from the standpoint of what's in this testimony
22 there's no defined positive impact for other
23 communities that are a part of the VEDA
24 Redevelopment Agency? Is that a fair statement?

25 A That's a fair statement. I'm required

1 to determine if there's a significant impact. If
2 there's no significant impact, I can't propose
3 mitigation for what is not a significant impact.

4 MR. LEDFORD: Okay, well, that takes
5 care of my follow-on.

6 HEARING OFFICER VALKOSKY: Any other
7 questions for Ms. Stennick?

8 Thank you.

9 MS. HOLMES: I'd like to ask that Ms.
10 Stennick's testimony be admitted into evidence at
11 this time.

12 HEARING OFFICER VALKOSKY: I'm sorry?

13 MS. HOLMES: I'd ask that Ms. Stennick's
14 testimony and qualifications be admitted into
15 evidence at this time.

16 HEARING OFFICER VALKOSKY: Okay, and
17 it's exhibit?

18 MS. HOLMES: Exhibit 87, her portion of
19 exhibit 87 and the qualifications are in 82.

20 HEARING OFFICER VALKOSKY: Okay, is
21 there objection?

22 Hearing no objection, they will be so
23 admitted.

24 (Whereupon, exhibits 82 and 87 were
25 received in evidence.)

1 HEARING OFFICER VALKOSKY: Mr. Ledford,
2 are you prepared to --

3 MR. LEDFORD: I'm prepared to introduce
4 my testimony into the record, and do I need to be
5 sworn, since I've made a declaration?

6 HEARING OFFICER VALKOSKY: No, you're
7 not. You're referring to exhibit 97, correct?

8 MR. LEDFORD: Is it 97 or 98? Yeah,
9 it's 97, you're right.

10 HEARING OFFICER VALKOSKY: All right, is
11 there objection to the admission of exhibit 97?
12 Mr. Thompson?

13 MR. THOMPSON: None.

14 HEARING OFFICER VALKOSKY: Ms. Holmes?

15 MS. HOLMES: None.

16 HEARING OFFICER VALKOSKY: Ms. Reynolds?

17 MS. REYNOLDS: No.

18 HEARING OFFICER VALKOSKY: Okay, we'll
19 move exhibit 97.

20 (Whereupon, exhibit 97 was received in
21 evidence.)

22 MR. LEDFORD: Should I make a statement?
23 I am the person that prepared this document. I
24 prepared it under oath. And I believe that all of
25 the information contained in the document is true

1 and accurate as of this time.

2 And I tender myself for cross-
3 examination.

4 HEARING OFFICER VALKOSKY: Well, since
5 you're not sworn, it's not really cross-
6 examination, but I've just got a couple of
7 clarifying questions, Mr. Ledford.

8 EXAMINATION

9 HEARING OFFICER VALKOSKY: I noticed in
10 exhibit 97 you essentially assume that if water is
11 not used for the High Desert Project that it will
12 be, in fact, used for residential and commercial
13 development, is that correct?

14 And, again, I just want to make sure I
15 understand your exhibit.

16 MR. LEDFORD: The theme of it?

17 HEARING OFFICER VALKOSKY: Yes.

18 MR. LEDFORD: The theme of it is
19 precisely that the water is needed for the growth
20 of the region. It is a water-short region in an
21 arid climate. And there is an adjudication in
22 place, and there is a mandate under the
23 adjudication and various court orders and
24 stipulations by others, which we will have a
25 chance to review next week, that refer directly to

1 the water issues.

2 However, a water-deprived region that
3 would be deprived of 4000 acrefeet of water, that
4 would be consumed -- 100 percent of that water
5 would be consumed into the atmosphere is something
6 that I think is a very significant economic impact
7 to the region.

8 I think that the whole idea of the
9 redevelopment of George Air Force Base is to
10 provide for manufacturing facilities to create
11 jobs, and to stimulate growth in the Valley.

12 And while the High Desert Power Project
13 provides a short-term economic benefit in terms of
14 construction jobs, a great deal of those jobs will
15 come in from out of the area, they will stay in
16 hotels, they will spend money in the Valley, and
17 during the construction process there will be a
18 short-term economic benefit.

19 However, if you deprive the region of
20 that 4000 acrefeet of water, you deprive the
21 region of the long-term growth. And I don't think
22 there's been any showing economically that there's
23 a need for a 700 megawatt power project for the
24 Victor Valley. I think there's probably more than
25 adequate power for the Valley now and even in the

1 future.

2 HEARING OFFICER VALKOSKY: Okay, and
3 that aside, I mean specifically what I was
4 referring to, I guess, is page 3 --

5 MR. LEDFORD: Okay.

6 HEARING OFFICER VALKOSKY: -- of exhibit
7 97, where again, I just want you to assist me in
8 understanding this that you say essentially you
9 could use 4000 acrefeet of water for 8000 homes,
10 and create a direct benefit of \$1 billion.

11 And I guess my question to you is, is
12 not that premised on the assumption that that
13 water would, in fact, be used for the development
14 that you hypothesize?

15 MR. LEDFORD: Well, in fact, the answer
16 to your question is yes. Can I explain it?

17 HEARING OFFICER VALKOSKY: Yeah, please.

18 MR. LEDFORD: The whole basis of the
19 economic redevelopment authority and the economic
20 analysis for the growth of the high desert is to
21 sponsor development; it is to sponsor growth. And
22 the means and mechanism of sponsoring growth is to
23 have water.

24 And so that has to do with the
25 adjudication. And, you know, we're going to talk

1 about water specifically next week, but without
2 water you can't have growth. And that's the flip
3 side of the coin.

4 HEARING OFFICER VALKOSKY: Right, but
5 again, you characterize the water as being used
6 for residential and commercial development, and I
7 guess I'm -- what I'd like to know is couldn't
8 that water be used for, for example, additional
9 agricultural development rather than the
10 residential and commercial?

11 MR. LEDFORD: Agricultural has been
12 virtually ruled out in the high desert. The high
13 desert grew based on the agricultural economy for
14 a period of about 50 years before urbanization
15 took place. But the cost of water and the over-
16 draft of the basin has made agriculture, for the
17 most part, an uneconomic viable alternative.

18 HEARING OFFICER VALKOSKY: Okay. Well,
19 would you agree that the level of residential
20 development that you've hypothesized is indeed
21 that, just hypothetical, at this point?

22 MR. LEDFORD: No, because there are
23 numerous forecasts of what the residential
24 population will be over the next 10, 20, 30 years.
25 And so in order to achieve those goals you have to

1 have the water to achieve them. And they all fit
2 in this context.

3 HEARING OFFICER VALKOSKY: Okay. Thank
4 you.

5 PRESIDING MEMBER LAURIE: Mr. Ledford,
6 as a follow-up to Mr. Valkosky's question, again
7 clarification. Is it your position that this
8 project is using water that, had this project not
9 be proposed, the water would be available to be
10 utilized for other purposes?

11 MR. LEDFORD: Not exactly. The
12 projected demand for water in the high desert over
13 the next 15 years creates an over-draft of about
14 110,000 acrefeet of water. And the current
15 availability of state project water for the area
16 is roughly half that amount.

17 So, in order to have the growth that is
18 projected currently, we'd have to have twice as
19 much water as what's currently available to us, to
20 our area, through the state project.

21 So, we're fighting a losing battle, if
22 you will. In order to get the growth that's
23 projected that is going to come we're going to
24 need twice as much water as what we currently
25 have.

1 Again, this is going to be the subject
2 of a lot of exhibits that will do that. Mr.
3 Beeby's going to testify on their behalf. He did
4 the water management plan, that's what it says.

5 PRESIDING MEMBER LAURIE: I'm trying to
6 determine how speculative that is. Are you
7 testifying that there will be evidence that will
8 reflect the use of this water will specifically
9 prohibit the utilization of other types of
10 projects because of lack of water? Are there
11 proposed projects that cannot be built because
12 this project is taking water that those projects
13 need?

14 MR. LEDFORD: The adjudication
15 specifically addresses how we would solve the
16 over-draft. And that method of solving the over-
17 draft was by a method called replacement water.

18 And the theory in that adjudication was
19 that all municipal and agricultural uses had an
20 average of 50 percent consumptive use.

21 Two things have to happen. One is that
22 all the producers on an equity basis had to reduce
23 their production or ramp down. And obviously they
24 can't do that, so they created a water transfer
25 program so that primarily the municipalities would

1 go out and buy the farmers' water.

2 When that achieved its best scenario,
3 then the municipalities were going to have to buy
4 water and spread water in the basins. And when
5 they spread the water in the basins, that would
6 put water in the basins for development, and to
7 solve the over-draft.

8 For every new acrefoot of water, for
9 every new project that came into the valley that
10 needed water on a 50 percent consumptive use on an
11 average basis, that new entity, if you will, or
12 that new water would, one acrefoot would be bought
13 from the Mojave Water Agency and placed in the
14 basin.

15 When it went into the system and was
16 used, 50 percent of it would go back into the
17 basin, what is referred to as return flow. In
18 other words, you're going to buy one acrefoot of
19 water, but 50 percent of it is going to benefit
20 the basin.

21 So, we've had this big decline in our
22 water basin, and the easiest way to see how
23 successful the return flow has worked is to look
24 at the San Gabriel Basin. It was the MWA Act and
25 the San Gabriel Act were both established at the

1 same time, but the San Gabriel Basin got
2 adjudicated about 30 years ago.

3 And currently they are able to produce
4 more water now than they were before, and that's
5 because they bring new water in on this 50 percent
6 consumptive use. And they've built the water
7 availability up in the basins.

8 And that's how our basin is supposed to
9 work. If you use 100 percent consumptive use
10 water on this project, and you allow that as a
11 precedent, and that precedent setting goes on
12 because the municipalities are going to go, well,
13 if they can do that, then we're going to do that
14 as well. And we want the reverse situation.

15 They're already talking about this. The
16 problem is you can't see this from your position.
17 What's happening is the municipalities are
18 fighting among themselves already saying, if they
19 get 100 percent consumptive use of the water, and
20 they don't have to deal with the return flow, we
21 want the same deal.

22 And pretty soon the politics of this is
23 going to make this adjudication fail. So it is
24 very essential for me to be able to present the
25 evidence and for you to understand this evidence,

1 because it's critical.

2 PRESIDING MEMBER LAURIE: The City of
3 Victorville has a general plan, does it not?

4 MR. LEDFORD: Yes, it does.

5 PRESIDING MEMBER LAURIE: And that
6 general plan proposes a relative balance of
7 commercial, industrial and residential uses?

8 MR. LEDFORD: That's also correct.

9 PRESIDING MEMBER LAURIE: And to your
10 knowledge has the City of Victorville provided any
11 input to the extent that this project is
12 inconsistent with the policies contained in that
13 general plan?

14 MR. LEDFORD: Not to my knowledge.

15 PRESIDING MEMBER LAURIE: Is Adelanto an
16 incorporated municipality?

17 MR. LEDFORD: Yes, it is.

18 PRESIDING MEMBER LAURIE: To your
19 knowledge has the City of Adelanto indicated any
20 inconsistencies with its general plan policies?

21 MR. LEDFORD: No, it has not, not to my
22 knowledge.

23 PRESIDING MEMBER LAURIE: And to your
24 knowledge have any of the other cities in the
25 region so indicated?

1 MR. LEDFORD: Not to my knowledge.

2 PRESIDING MEMBER LAURIE: Thank you. I
3 have no more questions, Mr. Valkosky.

4 VICE CHAIRMAN ROHY: Mr. Ledford,
5 there's a tremendous amount of discussion
6 politically, both on a local and national level,
7 about growth or sprawl. And my understanding is
8 that from what you have told us that one of the
9 primary goals of VEDA is to encourage growth, is
10 that correct?

11 MR. LEDFORD: That would be my
12 understanding, as well.

13 VICE CHAIRMAN ROHY: But yet, on a
14 national level, there is this discussion of urban
15 sprawl and limiting it. And the possibility that
16 by putting constraints on where houses can be
17 built that we may, in fact, be better -- we will
18 use our resources better as a nation.

19 Do you foresee that something of this
20 nature might come to California? And let me,
21 before I ask for your answer here, the State of
22 Oregon has imposed similar restrictions by putting
23 boundaries on cities.

24 And I'll ask specifically, would you see
25 something like that come into California? And

1 would that change your position?

2 MR. LEDFORD: I think I might have
3 mentioned this earlier, but if I didn't I have to
4 tell you that this guy would rather be anyplace
5 but sitting here before you today. I would really
6 rather be anyplace than arguing about whether or
7 not this is a CEQA compliant project, because I've
8 been through that process several times on a major
9 project. And it is not a fun thing to do. And
10 I'm sure that what these folks are going through
11 is not a fun thing to do.

12 But, I do believe in balance, and I
13 believe in well-planned communities. The project
14 that we undertook in the Victor Valley is a 1400-
15 acre master planned community. It's principally
16 focused on retirees.

17 I think planned communities are the type
18 of planning that needs to happen. It's a
19 difficult chore. And I'm not sure what the future
20 brings. I just, for our area I know that if we
21 don't have water we won't grow. And that all of
22 the cities up there have made plans and put in
23 infrastructure to have growth. And that is their
24 expectation.

25 The biggest problem is they haven't

1 faced the reality of having to pay for it. And
2 that's the problem. And I think that will resolve
3 itself in the very short term. There will be a
4 mandate that -- some court someplace is going to
5 tell the municipalities, guess what, you got to
6 buy the water, that's just the way it is.

7 PRESIDING MEMBER LAURIE: One more
8 question. Is it correct that not all housing
9 provides a net benefit to the tax base? That is,
10 the taxes less the cost of services is not always
11 net positive?

12 MR. LEDFORD: Yes.

13 PRESIDING MEMBER LAURIE: It depends
14 upon the value of the housing?

15 MR. LEDFORD: Not necessarily. Can I
16 explain this one, as well?

17 In our particular case, the Just Ranch
18 Planned Community, we have a gate-guarded
19 community. And the community -- and it's a senior
20 community. Seniors have no impact on schools, but
21 we pay school fees. We take care of all of our
22 roads. And because we're a gate-guarded community
23 with security patrols, we have a very small impact
24 on police services.

25 Police services is probably the number

1 one line-item budget in the city's budget. So, in
2 gate-guarded planned communities, and especially
3 in senior communities, they are a net positive
4 benefit to a local community.

5 On the other hand, if you talk about
6 affordable housing and if you talk about the
7 first-time buying environment, and you talk about
8 children, those things have significant impacts on
9 the communities, and they generally would, on the
10 direct tax base, would be exactly what you've just
11 said. They provide a negative. They don't cover
12 all the expenses.

13 What the city hopes for is that it will
14 generate commercial development, because
15 commercial development generates sales tax
16 revenue, and sales tax revenue does generate a net
17 positive benefit to the community. It's a
18 chicken-and-the-egg situation.

19 PRESIDING MEMBER LAURIE: As to
20 residential, is it fair to say that for most
21 housing the break-off point is about 180 to
22 200,000 where it becomes a net revenue producer
23 for the jurisdiction as opposed a revenue loss?

24 MR. LEDFORD: I don't think so. I think
25 it depends on what area that you're in. In the

1 Orange County area you can buy a house for
2 \$200,000, you could buy the same house in
3 Victorville for 140,000.

4 So I don't think that you could just
5 give it a number. I think it depends on the
6 region.

7 PRESIDING MEMBER LAURIE: Okay, but is
8 it fair to say that again, generally speaking, as
9 to residential, that when you take the amount of
10 taxes, property taxes produced, less the cost of
11 the services, not all residential housing ends up
12 being a net positive to the jurisdiction. There's
13 some cut-off point, depending upon the value of
14 the housing and the cost of the services?

15 MR. LEDFORD: Yeah, you have to look at
16 the four corners of it, you can't microspect it.
17 You have to look at all the benefits that come
18 from the housing.

19 PRESIDING MEMBER LAURIE: Okay, I was
20 speaking simply dollar revenues. Okay, --

21 MR. LEDFORD: I'm not sure --

22 PRESIDING MEMBER LAURIE: -- let me try
23 the question again. A small point, and I don't
24 want to pursue it at length.

25 But when we have testimony on the record

1 that -- residential properties add to the tax
2 base.

3 MR. LEDFORD: That's correct.

4 PRESIDING MEMBER LAURIE: One must also
5 consider that there's the cost of services. So
6 there's net addition to the tax base, and there's
7 net loss depending upon the cost of services and
8 the value of the housing, which determines the
9 amount of the tax base.

10 MR. LEDFORD: If I answered your
11 question in microspect, and said there wasn't
12 anything else to consider, then your answer would
13 be yes.

14 If I took Mr. Foy's question about
15 whether or not maybe in the future we're going to
16 put a circle around how big the community is, and
17 then I said, yes, and planned communities work a
18 lot better, and we see more and more planned
19 communities coming forth in California, and one of
20 the reasons is the cities want planned communities
21 because they don't want to pay for those services.

22 If that happened to be the trend, I
23 think, which was the other question, then my
24 answer would have to be no.

25 HEARING OFFICER VALKOSKY: Okay, are

1 there any other questions for Mr. Ledford or any
2 other comments from anyone here present on the
3 topic of socioeconomic?

4 MR. THOMPSON: I would just point out
5 that our lack of questions doesn't indicate that
6 we necessarily agree with Mr. Ledford's
7 examination. What we would like to do is to -- we
8 believe these issues are really water issues, and
9 we will save questions and our comments for that
10 time.

11 HEARING OFFICER VALKOSKY: Mr. Ledford,
12 I assume, will be available for the water --

13 (Laughter.)

14 MR. LEDFORD: I will, yeah. In that
15 regard I would ask that my testimony be moved in
16 as an exhibit.

17 HEARING OFFICER VALKOSKY: Any objection
18 to the admission of 97?

19 There is none.

20 (Whereupon, exhibit 97 was received in
21 evidence.)

22 HEARING OFFICER VALKOSKY: Well, with
23 that, any comments from anyone here present on
24 that topic? With that, and with the sole
25 exception of Mr. Hughes, who will address

1 socioeconomics on the 7th, we'll now move off that
2 topic.

3 Okay, at this time the Committee would
4 like to take a recess for 15 minutes until 2:40.

5 (A brief recess ensued.)

6 HEARING OFFICER VALKOSKY: Okay, if we
7 could reconvene. The final topic on the agenda is
8 alternatives. I understand, though, there are
9 some administrative matters to take care of
10 before?

11 MR. THOMPSON: I have some questions for
12 Mr. Barnett, to ask him under oath. Just some
13 fill-in things. I also have a few witness issues
14 that I'd like to take up at the very end that
15 concern witnesses for next week.

16 But for right now, if it's okay, I'd
17 like to put Mr. Barnett under oath for
18 alternatives, and then ask him the other
19 questions.

20 HEARING OFFICER VALKOSKY: Okay.

21 MR. THOMPSON: Applicant would like to
22 recall Mr. Tom Barnett. He's already been sworn,
23 but maybe you should swear him again, just because
24 we want him to be very honest here.

25 //

1 Whereupon,

2 THOMAS BARNETT

3 was called as a witness herein, and after first
4 having been duly sworn, was examined and testified
5 as follows:

6 DIRECT EXAMINATION

7 BY MR. THOMPSON:

8 Q Would you please state your name for the
9 record.

10 A Thomas Barnett.

11 Q And would you please state your duties
12 and responsibilities with regard to the High
13 Desert Power Project.

14 A Yes, I am the Project Manager for the
15 High Desert Power Project, and Vice President of
16 High Desert Power Project LLC. And as such I have
17 overall responsibility for the development of the
18 High Desert Power Project.

19 Q Thank you. First, now with regard to
20 alternatives, is it correct, sir, that the
21 alternative section of the AFC was prepared by
22 management that preceded you in this case?

23 A That is correct.

24 Q But that you have reviewed that material
25 and accept it as factual and indeed accept it as

1 your own?

2 A That is correct.

3 Q Do you have any corrections, changes or
4 additions to make to the alternative sections that
5 you are sponsoring today?

6 A No.

7 Q We heard a question asked earlier with
8 regard to gas flow rates and gas flow
9 requirements. And I think it was the difference
10 between 430 psig and 650 psig as requirements for
11 the pipeline. Do you have any comments in regard
12 to those two requirements?

13 A Yes, I'd like to add the clarification
14 that the two different pressure requirements
15 correlate to the two different gas turbine
16 equipment configurations which we have submitted
17 in the AFC.

18 The configuration based on G machines
19 and then alternatively a configuration based on F
20 machines.

21 And the G machines require the slightly
22 higher pressure.

23 Q Than you. Third, with regard to the
24 SCIA, the Southern California International
25 Airport, does that airport now have a new name,

1 and is there a new mission attached to that that
2 you know of?

3 A Well, it does have a new name, although
4 it's not actually a new mission. The former name,
5 of course, was the Southern California
6 International Airport.

7 And they determined that because their
8 plans actually called for them to develop the
9 facility as primarily a cargo airport, that it
10 would be more accurate to refer to the facility
11 with a new name. They changed it to Southern
12 California Logistics Airport.

13 Just to add to the confusion there is,
14 in fact, still the Southern California
15 International Airport Authority as the governing,
16 or the administrative body. But the airport
17 itself is now SCLA.

18 And they have, in fact, intended to use
19 it not as a passenger airport, but as a cargo
20 facility.

21 Q Thank you, sir. Fifth, I have
22 distributed copies of a letter which I hope you
23 have in front of you on High Desert Power Project
24 LLC letterhead, which is dated December 21, 1998.

25 MR. THOMPSON: If the Committee please,

1 I would like to have this letter identified as the
2 next exhibit in order.

3 HEARING OFFICER VALKOSKY: Okay, we'll
4 identify the December 21, 1998 letter from Mr.
5 Andrew Welch to Mr. John Roberts as exhibit 129.
6 BY MR. THOMPSON:

7 Q Now, Mr. Barnett, with regard to exhibit
8 129, does this letter represent a letter which is
9 sent to John Roberts of the SCIA Airport which
10 contains the new stack height for the project?

11 A It is. Just to further clarify the
12 earlier line of questioning, High Desert Power
13 Project has dealt with the FAA through the owner
14 and operator of the airport SCIAA, the Southern
15 California International Airport Authority.

16 So this letter is to the head of the
17 SCIAA, as we call them, and it's confirming that
18 we had reduced the stack heights from 175 to 130
19 feet above ground level.

20 We also attached with this letter the
21 markup of our original application reflecting the
22 lowering of the stack height, and we have asked
23 the airport authority to deal with whatever
24 necessary approvals are needed from the FAA.

25 I might also add that the original

1 approvals that we believe we got from the FAA back
2 in February of '98 require us to go back for an
3 extension in December of this year, so we will be
4 filing an updated application through SCIAA to the
5 FAA with the new 130-foot height indications on
6 it.

7 Q So that the import of exhibit 129 is not
8 that this is a final approval or represents the
9 request for a final approval, but it does
10 represent a piece of correspondence in a
11 continuing dialogue between the FAA, the airport
12 and ourselves, is that correct?

13 A That's correct.

14 Q Fifthly, the Committee asked questions
15 regarding tax credits and fee waivers to an
16 earlier witness today.

17 Do you have anything to add to the
18 record with regard to those subjects?

19 A I do. I won't be able to go into a
20 great deal of specific detail, but I think I'll be
21 able to answer in general the questions.

22 The project currently estimates it'll be
23 generating around \$3 million in property taxes.
24 Those taxes will be going to the Victor Valley
25 Economic Development Authority, VEDA. VEDA,

1 itself, has certain pass-through agreements, as
2 was stated by an earlier witness, with certain
3 local agencies that they have negotiated with
4 those agencies. And that identifies what portion
5 of those taxes will be passed through specifically
6 to those various agencies. Included in there are
7 various school boards.

8 With regard to any kinds of waivers or
9 tax holiday, the project has absolutely no
10 sweetheart tax deals cut with any local agencies.
11 We are going to be paying our full taxes.

12 The only exception to that is that at
13 the Air Force Base, itself, it is a LAMBRA zone
14 which provides for the waiver of certain
15 development impact fees. They are not specific to
16 our project, they're to any project that would be
17 located at the Air Force Base.

18 We do expect that we're going to get
19 those waivers. They are relatively minor. They
20 specifically do not include the waiver of any
21 school impact fees.

22 But there are certain relatively small
23 development fees that will be waived for us, as
24 they would be for anyone who would be locating at
25 the Air Force Base.

1 Q And for clarification, Mr. Barnett,
2 LAMBRA is the base closure, Federal Base Closure
3 Act?

4 A Yes, it's the Local Area Military Base
5 Redevelopment Act, something close to that.

6 Q Thank you. Lastly, a question was asked
7 regarding the number of months following
8 certification that construction would commence.
9 Would you please comment on that?

10 A Yes, we currently anticipate, if we
11 maintain the schedule that we hope we're on right
12 now, that we will be able to move forward to
13 financial closing and the commencement of
14 construction within three to four months after
15 receipt of final certification.

16 And then to further address that
17 question, there has been some difference in the
18 length of the construction period due to peaking
19 plants versus the combined cycle plant.

20 The combined cycle plant will take
21 longer to construct, since we have eliminated the
22 peaking. We are now looking at a 24-month
23 construction period. Included in that 24 months
24 is a design period. So the actual groundbreaking
25 activities will take a shorter time than that.

1 But for our purposes, and I think for
2 everyone's purposes, it's 24 months from the
3 following that three- to four-month period I
4 indicated earlier.

5 Q Thank you, Mr. Barnett.

6 MR. THOMPSON: Mr. Barnett is tendered
7 for cross-examination in the areas of
8 alternatives, plus of course, the additional items
9 recently put into the record.

10 HEARING OFFICER VALKOSKY: Ms. Holmes.

11 MS. HOLMES: Thank you. I have a couple
12 of questions again about the gas pipeline.

13 CROSS-EXAMINATION

14 BY MS. HOLMES:

15 Q Earlier this morning Mr. Provenza
16 testified with respect to exhibit 94, which
17 included a response to a data request concerning
18 how the size of the second natural gas pipeline
19 was selected.

20 Do you recollect that testimony?

21 A I do, although I confess I'm not, you
22 know, completely familiar with it at this point.

23 Q I'll try to keep the questions to the
24 point. There are pipeline capacities that are
25 given in the data request, but there is not a

1 statement as to the amount of gas in millions of
2 cubic feet per hour that the two options that are
3 currently being proposed. Do you have that
4 information?

5 A I do not, although we can certainly get
6 that for you. I don't have it off the top of my
7 head, other than to say that we developed the
8 design based on a consultation with our engineers.
9 And the feeling was that the size that we have
10 there now is one that would be sufficient to
11 accommodate the current design.

12 But as far as the specific usage, I
13 don't really have that information at my
14 fingertips.

15 Q There's a statement in the data request
16 that the size of the size of the plant planned was
17 selected because of the need to provide natural
18 gas to the peaking option, which as you have
19 pointed out, is no longer on the table.

20 Would you anticipate that less gas will
21 be used by the two combined cycle options that are
22 still up for certification?

23 A No. There's some variation there. I
24 mean we'll clearly be using much more gas than the
25 peaking option. However, the peaking option, you

1 know, at any one point is going to be using more
2 gas potentially. But that's because it'll be at
3 the maximum demand periods.

4 But the configurations that we're
5 looking at right now need -- the gas pipeline
6 needs to be sized for us to be able to take
7 advantage of those same peak periods.

8 So I don't think there's a significant
9 difference, if there is any.

10 Q Do you know whether or not the 30-inch
11 pipeline represents, at the peak hours that you're
12 referring to, is there excess capacity on that gas
13 pipeline?

14 A I really don't know the answer to that
15 at this point, but we can certainly get that for
16 you.

17 MS. HOLMES: Thank you, I don't have any
18 other questions.

19 HEARING OFFICER VALKOSKY: Ms. Reynolds.

20 MS. REYNOLDS: No questions.

21 HEARING OFFICER VALKOSKY: Mr. Ledford.

22 CROSS-EXAMINATION

23 BY MR. LEDFORD:

24 Q On the total cost of the plant is
25 expected to be?

1 A We estimate it to be around \$360
2 million.

3 Q And how do you intend to finance this
4 plant?

5 A It will be through a combination of
6 equity and debt. The source of the equity will be
7 our parent company. The source of the debt is
8 undetermined at this point in time.

9 Q But it's not going to be through public
10 financing of any kind?

11 A No. It will not involve public
12 financing.

13 Q And my understanding is that this is a
14 lease project where the land is valued at
15 \$500,000?

16 A We are going to lease the land for the
17 project from VEDA. I'm not familiar with a
18 specific estimation of the land value.

19 Q Will the land have to be
20 collateralized -- subordinated to the permanent
21 financing?

22 A I'm not sure I understand what you mean.

23 Q Generally lenders don't like to loan
24 hundreds of millions of dollars on a project where
25 they don't have a fee title ownership in the land.

1 Since you're not purchasing the land, but leasing
2 it, will VEDA be required to subordinate their
3 interest to the new financing?

4 A Oh, we'll have a lease that gives us
5 absolute ability to operate the plant.

6 Q I wouldn't question that. The question
7 is whether --

8 A I'm not sure I understand the question.

9 Q The question is whether the lender will
10 require having -- being in a first position on the
11 real estate, in case for some reason it doesn't
12 work out, heaven forbid, would the lender take the
13 land?

14 A The lender won't take the land, but
15 they'll have first rights to deal with the
16 project, itself.

17 Q So there would not be a subordination
18 requirement?

19 A I don't think --

20 Q To the best of your knowledge?

21 A I don't think so, not of the kind that
22 you're talking about.

23 Q I don't profess to be an expert in power
24 plants, so.

25 MR. LEDFORD: That's the extent of my

1 questions, thank you.

2 EXAMINATION

3 HEARING OFFICER VALKOSKY: Mr. Barnett,
4 to follow up on Mr. Ledford's question, what is
5 the status of the lease? Is it something that you
6 have yet to enter into, or is it something that
7 you have entered into?

8 THE WITNESS: It is something that we
9 have been sort of in off-and-on discussions with
10 VEDA for quite some time. And it is in the final
11 stages of being completed right now.

12 HEARING OFFICER VALKOSKY: And when do
13 you anticipate finalization?

14 THE WITNESS: Within the month, by the
15 end of October.

16 HEARING OFFICER VALKOSKY: You indicated
17 a capital cost of \$360 million. Is that figure
18 specific to a particular configuration?

19 THE WITNESS: It's not. It's still --
20 there's still some I will call it some variability
21 in that number to accommodate either of the
22 configurations.

23 HEARING OFFICER VALKOSKY: And I assume
24 that the twin power train configuration would be
25 cheaper, is that a correct assumption?

1 THE WITNESS: That is correct.

2 HEARING OFFICER VALKOSKY: Do you have
3 any idea, rough estimate, by how much?

4 THE WITNESS: I don't.

5 HEARING OFFICER VALKOSKY: Okay.

6 PRESIDING MEMBER LAURIE: Mr. Barnett,
7 do you currently have an option to lease or any
8 other entitlement?

9 THE WITNESS: The option to lease is a
10 part of the lease that we are in the final stages
11 of negotiating with VEDA at this point. So the
12 answer is we do not have an executed document.

13 PRESIDING MEMBER LAURIE: So you have no
14 property control at this point?

15 THE WITNESS: We do not.

16 PRESIDING MEMBER LAURIE: Who makes up
17 the governing board of the development authority?

18 THE WITNESS: I believe that the VEDA
19 governing body is the City of Victorville City
20 Council. Is that -- yes, that's correct.

21 PRESIDING MEMBER LAURIE: And that's it,
22 as far as you know?

23 THE WITNESS: As far as I know.

24 PRESIDING MEMBER LAURIE: Thank you.

25 VICE CHAIRMAN ROHY: Mr. Barnett, I'm

1 led to believe now that the combined cycle versus
2 the peaking, that you have chosen the combined
3 cycle configuration, is that correct?

4 THE WITNESS: That is correct.

5 VICE CHAIRMAN ROHY: But you have not
6 yet decided on whether it's F or G technology, is
7 that correct?

8 THE WITNESS: We have not.

9 VICE CHAIRMAN ROHY: If it were one or
10 the other would that determine which of the two
11 pipelines you would select?

12 THE WITNESS: No, that would not
13 influence the pipeline decision.

14 VICE CHAIRMAN ROHY: If you picked the G
15 technology would it not require the high pressure
16 in either of the two lines then?

17 THE WITNESS: It would.

18 VICE CHAIRMAN ROHY: So that the one
19 line that was scoped at 430 psig probably would
20 not be sufficient for G technology?

21 THE WITNESS: That is correct, and I'm
22 sorry, I misunderstood your question. You talked
23 about the two pipelines, I was thinking you meant
24 the 32-mile versus the short one --

25 VICE CHAIRMAN ROHY: I think I did --

1 THE WITNESS: -- and the 32-mile. And
2 what I was getting at is in terms of the pressure
3 on -- the two pressure configurations it
4 definitely would impact that --

5 VICE CHAIRMAN ROHY: So, if you had G
6 technology you'd use the higher pressure --

7 THE WITNESS: That is correct.

8 VICE CHAIRMAN ROHY: Then there are two
9 layouts for the pipelines, would the layout, the
10 one that was specified at 430 psi then have to go
11 to the higher pressure, if that's the one you
12 finally selected?

13 THE WITNESS: It would.

14 VICE CHAIRMAN ROHY: You are selecting
15 only one of those routes, is that correct? Or
16 would there be, at the end, two pipelines?

17 THE WITNESS: There would be two
18 pipelines either way --

19 VICE CHAIRMAN ROHY: Okay.

20 THE WITNESS: -- is my point.

21 VICE CHAIRMAN ROHY: Okay.

22 THE WITNESS: We originally looked at a
23 couple of different configurations for the long
24 pipeline, and have selected one route for the long
25 pipeline. But either F or G would use both the

1 long pipeline and the shorter southern pipeline,
2 as well.

3 VICE CHAIRMAN ROHY: And would you use
4 both water routes that were described?

5 THE WITNESS: We would.

6 VICE CHAIRMAN ROHY: So these are not
7 alternatives, in fact you will use both if
8 approved?

9 THE WITNESS: We are certainly seeking
10 approval for both, and with regard to the water we
11 won't need both. With regard to the gas we have
12 reserved an option to perhaps not go forward with
13 the second longer gas pipeline. At this point we
14 believe we will, but there's still some
15 possibility that it might not prove to be the most
16 attractive approach.

17 VICE CHAIRMAN ROHY: If you were to
18 choose G technology, would that impact your build
19 schedule?

20 THE WITNESS: It would.

21 VICE CHAIRMAN ROHY: By approximately
22 how much?

23 THE WITNESS: Again, I really don't have
24 a good feel. It would shorten the schedule
25 somewhat, but I don't believe in a significant

1 way.

2 VICE CHAIRMAN ROHY: It would shorten it
3 over F technology?

4 THE WITNESS: Yes.

5 VICE CHAIRMAN ROHY: Interesting. Do
6 you have F machines -- do you have a place in line
7 on the F machine order list?

8 THE WITNESS: We do. As I'm sure you
9 can all appreciate the ability to go with either
10 of these machines has been a great value to us in
11 our discussions with the two equipment
12 manufacturers.

13 So we have a place in the queue with
14 both.

15 VICE CHAIRMAN ROHY: To your knowledge,
16 how many G machines are operating in the United
17 States right now?

18 THE WITNESS: I think -- I believe there
19 is only one that's in operation.

20 HEARING OFFICER VALKOSKY: You said you
21 had the option not to go forward with the second
22 longer pipeline. Were you referring to the 32-
23 mile natural gas pipeline?

24 THE WITNESS: That's correct.

25 HEARING OFFICER VALKOSKY: Okay, and at

1 what point will you decide whether or not to go
2 forward with that pipeline?

3 THE WITNESS: We will make that decision
4 in the near future. I can't give you an exact
5 date, but it certainly would be, you know, in
6 the -- it will obviously be before we go to
7 financial closing. But beyond that I really can't
8 say at this point.

9 HEARING OFFICER VALKOSKY: Okay, thank
10 you.

11 Any redirect, Mr. Thompson?

12 MR. THOMPSON: None.

13 HEARING OFFICER VALKOSKY: Any other
14 questions for Mr. Barnett? Seeing none, thank
15 you.

16 MR. THOMPSON: Applicant would like to
17 call Mr. David Larsen. Mr. Larsen has been sworn
18 previously. But maybe we should swear him again.
19 Whereupon,

20 DAVID LARSEN
21 was recalled as a witness herein, and having been
22 previously duly sworn, was examined and testified
23 further as follows:

24 //

25 //

1 DIRECT EXAMINATION

2 BY MR. THOMPSON:

3 Q Would you please state your name for the
4 record.

5 A My name is David Larsen.

6 Q And you're the same David Larsen who
7 submitted prepared testimony as part of exhibit 95
8 to this proceeding?

9 A Yes, I am.

10 Q And your testimony today in the area of
11 alternatives is in the area, specific area of
12 transmission alternatives, is that correct?

13 A That is correct, yes.

14 Q Do you have any corrections, additions
15 or deletions to make to that material?

16 A No, I don't.

17 Q Would you very briefly summarize the
18 transmission alternatives that you looked at?

19 A Yes. The work that we undertook was --
20 on behalf of the High Desert Project was to
21 identify not only potential interconnection points
22 with the existing transmission system for the line
23 coming from the project. Also we looked at
24 various line routing options for that transmission
25 line between the plant and the potential

1 interconnection points.

2 We looked at a total of five potential
3 interconnection points to start with. Some with
4 the Edison system, some with the Department of
5 Water and Power system. Ultimately narrowed it
6 down to the interconnection point at Victor being
7 the most preferred, if you will, and then the line
8 routing subsequently came after that, the
9 preferred line routing.

10 Q Thank you very much, does that complete
11 your testimony?

12 A Yes, it does.

13 MR. THOMPSON: Applicant would like to
14 offer Mr. Larsen for cross-examination in the area
15 of transmission alternatives.

16 HEARING OFFICER VALKOSKY: Ms. Holmes.

17 MS. HOLMES: No questions.

18 HEARING OFFICER VALKOSKY: Ms. Reynolds.

19 MS. REYNOLDS: No questions.

20 HEARING OFFICER VALKOSKY: Mr. Ledford.

21 MR. LEDFORD: No questions.

22 HEARING OFFICER VALKOSKY: Any questions
23 from anyone here present for Mr. Larsen?

24 Thank you, sir.

25 THE WITNESS: Thank you.

1 MR. THOMPSON: We have nothing further.
2 All of the exhibits are part of the AFC or
3 responses to data requests. So we will move
4 later.

5 HEARING OFFICER VALKOSKY: How about
6 exhibit 129?

7 MR. THOMPSON: Oh, thank you. I'd like
8 to move exhibit 129 into the record.

9 HEARING OFFICER VALKOSKY: Is there any
10 objection?

11 MS. HOLMES: No.

12 MR. LEDFORD: No.

13 HEARING OFFICER VALKOSKY: Okay.
14 Hearing no objection exhibit 29 will be admitted
15 into evidence.

16 (Whereupon, exhibit 129 was received in
17 evidence.)

18 HEARING OFFICER VALKOSKY: Ms. Holmes.

19 MS. HOLMES: Staff's witnesses on
20 alternatives are Richard Buell, who has been sworn
21 before, and Eileen Allen who I believe has not.
22 Whereupon,

23 RICHARD BUELL and EILEEN ALLEN
24 were called as witnesses herein, and after first
25 having been duly sworn, were examined and

1 testified as follows:

2 DIRECT EXAMINATION

3 MS. HOLMES: Good afternoon, Mr. Buell
4 and Ms. Allen.

5 Did you prepare the alternative section
6 of the staff assessment, which has been identified
7 as exhibit 82?

8 MS. ALLEN: Yes, I did.

9 MR. BUELL: Yes, I did.

10 MS. HOLMES: And are copies of your
11 qualifications included in exhibit 82?

12 MR. BUELL: Yes, they are.

13 MS. ALLEN: Yes.

14 MS. HOLMES: Do you have any changes or
15 corrections to your testimony?

16 MS. ALLEN: We have errata that was
17 filed on March 19, '99. That errata for
18 alternatives begins on page 5.

19 MS. HOLMES: Is that the sum of your
20 corrections?

21 MS. ALLEN: Yes.

22 MS. HOLMES: With those corrections are
23 the facts contained in the documents you are
24 sponsoring today true and correct?

25 MS. ALLEN: Yes.

1 MR. BUELL: Yes.

2 MS. HOLMES: And do the opinions
3 contained in those documents represent your best
4 professional judgment?

5 MS. ALLEN: Yes, they do.

6 MR. BUELL: Yes, they do.

7 MS. HOLMES: And would perhaps the two
8 of you could explain your respective roles in the
9 testimony, and then provide a brief summary of
10 both the scope of the testimony and the
11 conclusions that you reached.

12 MR. BUELL: My role in preparing the
13 alternatives testimony was primarily to do some
14 oversight on the preparation of the section, to do
15 some policy review and to do some organization.

16 MS. ALLEN: My role was to look at the
17 array of reasonable alternatives. I conducted
18 screening analysis in conjunction with a staff
19 team looking for alternative sites. And the staff
20 team and I concluded that there were a number of
21 alternative site possibilities.

22 We also looked at configuration
23 alternatives and an alternative related to the
24 second natural gas pipeline.

25 MS. HOLMES: Would you please provide a

1 brief summary of your conclusions.

2 MS. ALLEN: Staff was required to
3 examine the feasibility of available site facility
4 alternatives to the Applicant's proposal, which
5 substantially lessened the significant adverse
6 impacts of the proposal on the environment.

7 Rick Buell and I prepared this
8 alternatives analysis which identifies the
9 Applicant's basic objectives, potentially
10 significant impacts of the project, technology
11 alternatives, and alternative sites that had the
12 potential for reducing or avoiding significant
13 impacts.

14 With respect to alternative sites we
15 looked at three, in addition to the proposed site.
16 The alternative sites are the Adelanto site
17 proposed by the Applicant in 1994; the Luz Solar
18 Electric Generating Station Unit X site; and the
19 Etapawanda Power Plant property site.

20 We also looked at three other
21 alternatives, two configuration alternatives which
22 were an 832 megawatt peaking project, and a 240
23 megawatt combined cycle project, and finally the
24 proposed project without the 32-mile long gas
25 pipeline.

1 We also analyzed the no-project
2 alternative. This alternative assumes that the
3 project is not built and it's compared to the
4 proposed project. Staff believes that the no-
5 project alternative is environmentally superior to
6 the proposed project.

7 Given that conclusion that the no-
8 project alternative was environmentally superior
9 we needed to determine a preferred environmental
10 alternative.

11 After examining the three alternative
12 sites, the two configuration alternatives and the
13 alternative related to the pipeline, we found that
14 the 240 megawatt combined cycle project would
15 result in the least environmental impact.

16 MS. HOLMES: Does that complete your
17 summary?

18 MS. ALLEN: Yes, it does.

19 MS. HOLMES: Staff's witnesses are
20 available for cross-examination.

21 HEARING OFFICER VALKOSKY: Mr. Thompson.

22 MR. THOMPSON: I don't have much.

23 CROSS-EXAMINATION

24 MR. THOMPSON: Ms. Allen, was a 240
25 megawatt combined cycle proposed by Applicant in

1 this case?

2 MS. ALLEN: No, it was not.

3 MR. THOMPSON: So you could not do an
4 analysis of the cost effectiveness in the smaller
5 unit, is that correct?

6 MS. ALLEN: That's right.

7 MR. THOMPSON: That's all we have, thank
8 you.

9 HEARING OFFICER VALKOSKY: Ms. Reynolds.

10 MS. REYNOLDS: No questions.

11 HEARING OFFICER VALKOSKY: Mr. Ledford.

12 MR. LEDFORD: Thank you.

13 CROSS-EXAMINATION

14 MR. LEDFORD: On the alternative sites
15 you stated that the preferred site was a 240
16 megawatt plant, but you didn't tell which site.
17 The preferred project was 240 megawatts, which
18 site?

19 MS. ALLEN: We assumed that that would
20 be a smaller project based at the Southern
21 California now Logistics Airport.

22 MR. LEDFORD: So that was the preferred
23 site?

24 MS. ALLEN: That was the site that we
25 assumed would be the location for a 240 megawatt

1 project.

2 MR. LEDFORD: Okay. Are you familiar
3 with the project that was known as Cool Water?

4 MS. ALLEN: Somewhat. I did not work
5 personally on that project, and it's been quite
6 awhile in the history of the Commission that that
7 was active.

8 MR. LEDFORD: Did you consider the Cool
9 Water site as a potential alternative site?

10 MS. ALLEN: No, we didn't.

11 MR. LEDFORD: And for what reason?

12 MS. ALLEN: We were already dealing with
13 two desert area sites, and our task in approaching
14 the alternatives analysis was to look for
15 alternatives that had the potential for mitigating
16 potentially significant impacts.

17 One of the potentially significant
18 impacts was impact on water resources. So looking
19 at another desert site in an area that didn't have
20 significantly greater water resources than the
21 area around the Victor Valley didn't seem
22 productive.

23 MR. BUELL: I'd also add that it didn't
24 address any better the air quality impacts that
25 the proposed project potentially would result in.

1 So, again, it did not provide a reasonable
2 alternative from an air quality perspective,
3 either.

4 MR. LEDFORD: Okay, we'll start down the
5 list. Maybe everybody in this room knows what
6 Cool Water is, but for the sake of the record can
7 someone explain -- one of the two of you explain
8 what the Cool Water Project is?

9 MR. BUELL: Cool Water Generating
10 Station is a generating station that was formerly
11 owned by the Edison Electric Company located near
12 Barstow, California. The Energy Commission
13 certified, in the '80s, a coal gassification
14 project approximately 100 megawatts at that site,
15 which has been since decommissioned.

16 Is that the facility you're referring
17 to?

18 MR. LEDFORD: That's very correct, yes.
19 And I think it would be more correct to state that
20 that was a joint venture between Edison and
21 Texaco.

22 MR. BUELL: That's correct.

23 MR. LEDFORD: And it was Texaco's
24 gassification process and Edison's expertise,
25 perhaps, with the Energy Commission that made the

1 joint venture. Is that a correct statement?

2 MR. BUELL: I wouldn't know what made
3 that venture economic or uneconomic.

4 MR. LEDFORD: There is another
5 generating facility that's immediately adjacent to
6 that site, an Edison facility, separate?

7 MR. BUELL: There's a solar facility
8 located adjacent to that. Is that the facility
9 you're referring to?

10 MR. LEDFORD: No, I believe there's a
11 gas-fired generation plant that's adjacent,
12 physically adjacent to the --

13 MR. BUELL: That's correct.

14 MR. LEDFORD: -- Cool Water Plant.

15 MR. BUELL: Yes.

16 MR. LEDFORD: And that plant size is?

17 MR. BUELL: I don't know the size off
18 the top of my head.

19 MR. LEDFORD: Smaller than 700
20 megawatts?

21 MR. BUELL: I believe so.

22 MR. LEDFORD: But that particular site
23 -- well, let me get back to this. The Cool Water
24 Plant, are you aware of how it was financed?

25 MR. BUELL: I'm not aware of how it was

1 financed, no.

2 MR. LEDFORD: Do you have any idea what
3 the cost of that plant was?

4 MR. BUELL: No, I do not.

5 MR. LEDFORD: It has, however, been
6 completely decommissioned and disassembled, is
7 that correct?

8 MR. BUELL: I'm not familiar --

9 MR. LEDFORD: Or is in the final --

10 MR. BUELL: -- with the status. I know
11 that the Energy Commission has ruled on the
12 decommissioning of that. I don't know if there's
13 any structures still on site or not.

14 MR. LEDFORD: The site is immediately
15 adjacent to the Mojave River?

16 MR. BUELL: I believe it is near there.
17 I can't testify to its exact location. I did do
18 the noise analysis on that facility some time ago,
19 but that was nearly 20 years ago, so.

20 MR. LEDFORD: Is there any reason why
21 that particular site would not have been an
22 acceptable alternative site?

23 MS. HOLMES: I'm going to object to that
24 question. I think that Ms. Allen has already
25 answered the question.

1 MR. LEDFORD: I believe that Ms. Allen
2 addressed it as she was already studying two
3 sites. Not that it wasn't an acceptable site.

4 HEARING OFFICER VALKOSKY: I really hate
5 to sustain an objection just because of an asked-
6 and-answered objection.

7 Ms. Allen, to the extent you can respond
8 to Mr. Ledford's question, please do.

9 MS. ALLEN: The answer that I gave, and
10 the answer that Mr. Buell gave related to air
11 quality impacts, is a combined answer that I think
12 responds to that.

13 If we had looked at a Cool Water site,
14 we still would have been looking at potentially
15 significant air quality and water resources
16 impacts.

17 MR. LEDFORD: But those air quality and
18 water resources impacts certainly wouldn't have
19 been any worse than they would have been in the
20 Victor Valley 30 miles to the north, would they?

21 MS. ALLEN: I can't answer that without
22 a study of the Cool Water site.

23 MR. LEDFORD: I'm really confused with
24 your testimony, I'm sorry. You said the reason
25 that you didn't study the site was because of air

1 quality and water quality.

2 MS. ALLEN: I see what you mean.

3 MR. BUELL: I think I would answer your
4 question, Mr. Ledford, by noting that the CEQA
5 regulations and our guidelines regarding what is
6 to be contained in our analysis direct us to
7 contain a reasonable range of alternatives in our
8 alternatives analysis.

9 And we believe we have done that by
10 identifying two alternative sites to the project
11 area that were designed to try to meet the project
12 objectives.

13 And we've also looked at alternative
14 sites outside of the area, or tried to look at
15 sites in other locations in San Bernardino County
16 where it would avoid the impacts that we believed
17 would take place in the desert.

18 So, I think we've met the obligations
19 under CEQA.

20 MR. LEDFORD: I don't debate that today.
21 But, looking back down there in that general area,
22 another site that you had mentioned was the Solar
23 One Project. Can you explain the proximity of the
24 Solar One Project to the Cool Water Project and
25 its size and what its status is today?

1 MR. BUELL: I'm not aware of what its
2 status is at this time. I believe it was
3 approximately one megawatt -- or ten megawatts, I
4 believe, solar-thermal tower design. It's
5 immediately to the east of the existing Cool Water
6 Generation Station.

7 MR. LEDFORD: It's also in close
8 proximity?

9 MR. BUELL: Close proximity, yes.

10 MR. LEDFORD: And you're not aware that
11 that plant is also decommissioned and being
12 disassembled?

13 MR. BUELL: I'm not aware of that
14 personally, no.

15 MR. LEDFORD: One of the other sites
16 that you did look at from an alternative
17 standpoint was the Luz alternative energy project.
18 Can you explain what that project is?

19 MS. ALLEN: That's a site that the
20 Commission reviewed when the Luz-SEGS Unit X
21 project was here. I think that was approximately
22 seven to ten years ago. We can get you an exact
23 date if you need that.

24 That's a site in the desert
25 approximately 20 miles north of the proposed High

1 Desert Project site. It's adjacent to the
2 existing Luz-SEGS Unit VIII project. It's
3 currently un-used land, the Unit X site.

4 MR. LEDFORD: And would that site be
5 superior to the Applicant's site?

6 MS. ALLEN: I'm going to take a look at
7 our testimony before I respond to that. And I'm
8 going to be looking at a table which is on page
9 492.

10 We found that when the Luz-SEGS Unit X
11 site was compared with the proposed project that
12 the impacts would be roughly the same. For a few
13 areas we found that the impacts would be worse
14 than the proposed project. But there were a
15 number of impacts that were considered to be very
16 similar, too.

17 MR. LEDFORD: Okay, I have no further
18 questions at this time.

19 EXAMINATION

20 HEARING OFFICER VALKOSKY: On page 477
21 of your testimony you indicate that there are
22 outstanding questions regarding air, water and I
23 suppose by implication, biological.

24 Have these questions been resolved? Has
25 the additional information you refer to been

1 received?

2 MR. BUELL: Yes. Staff has completed
3 its analysis on air quality and water resources,
4 and also on cultural resources. And we now
5 believe that those issues have been addressed, and
6 that the significant impacts that had been
7 identified at the time of the publishing of this
8 SA have now been resolved.

9 HEARING OFFICER VALKOSKY: Okay, again
10 on the same page you indicate something to the
11 effect, and I'm paraphrasing, that federal review
12 agencies may or may not conclude that this second
13 pipeline will cause significant adverse
14 unmitigable impacts.

15 Is that still the status of your
16 understanding of the federal review?

17 MR. BUELL: No, it's my understanding
18 that the federal review is about to be released.
19 The environmental impact statement will be
20 released by U.S. Fish and Wildlife Service in
21 November. And that that will identify measures
22 that agency believes are appropriate to mitigate
23 impacts to acceptable levels in all areas that
24 have been analyzed.

25 HEARING OFFICER VALKOSKY: Okay, so in

1 other words, if I may again paraphrase, so that
2 your understanding of the federal review is that
3 there would be no residual significant impacts?

4 MR. BUELL: That's correct.

5 HEARING OFFICER VALKOSKY: Okay.
6 Assuming adoption of the staff's proposed
7 conditions of certification, will there be any
8 significant environmental impacts associated with
9 the High Desert Project, as proposed, which will
10 not be mitigated below a level of significance?

11 MR. BUELL: There are no significant
12 impacts resulting from the High Desert Power
13 Project if the conditions of certification
14 proposed by staff are adopted by the Commission.

15 HEARING OFFICER VALKOSKY: Given that,
16 do you still view the 240 megawatt or the no-
17 project alternative as preferable to the project
18 as proposed and as mitigated?

19 MR. BUELL: I believe that we still
20 believe that the no-project alternative is
21 superior. And primarily the reason that we would
22 say that it is still superior is because although
23 mitigated to a level of insignificance, there are
24 still residual impacts that will result from the
25 project.

1 And the no-project alternative would
2 avoid those impacts. And in that context, it
3 would be superior. And I would defer to Eileen if
4 she'd have something she'd like to add in addition
5 to that.

6 MS. ALLEN: I have nothing to add.

7 HEARING OFFICER VALKOSKY: Okay, so is
8 it staff's view, then, that the Commission should
9 certify only what I would characterize as the best
10 project, i.e., the least environmentally intrusive
11 of all possible configurations?

12 MR. BUELL: The purposes of staff's
13 alternative analysis is not to propose that the
14 Commission certify one of the alternatives that we
15 have analyzed, but rather to provide the decision-
16 maker with a range of what the alternatives for
17 this project might be.

18 We are recommending -- staff is
19 recommending that the Commission certify the
20 project that the Applicant has proposed with the
21 conditions of certification that staff has
22 recommended.

23 HEARING OFFICER VALKOSKY: Okay. On
24 what factors do you base your conclusion that the
25 240 megawatt configuration is preferable in your

1 alternatives analysis?

2 MS. ALLEN: I'm going to refer again to
3 the tables on page 492. We initially looked at
4 the array of technical areas, and when you look at
5 all of the areas with a qualitative analysis of
6 the impacts in each area, the 240 megawatt
7 combined cycle comes out to have a rating of the
8 same compared to the proposed project.

9 However, when you look at the areas with
10 the potentially significant impact, those are air
11 quality, cultural resources, biological resources
12 and water resources, the 240 megawatt project was
13 better than the proposed project.

14 And what I mean better, the staff
15 concluded that there would be diminished impacts
16 compared to the proposed project in those areas.

17 HEARING OFFICER VALKOSKY: Okay, I think
18 to just clarify, when you say diminished impacts,
19 did that consider the impacts as mitigated by
20 staff's proposed conditions or not?

21 MS. ALLEN: Unmitigated.

22 HEARING OFFICER VALKOSKY: Unmitigated
23 impacts. Okay, thank you.

24 VICE CHAIRMAN ROHY: Did staff consider
25 the differences between F and G technology and

1 their alternatives?

2 MR. BUELL: No, we did not look at that
3 specific alternative, if you will.

4 VICE CHAIRMAN ROHY: It's my
5 understanding that G technology uses steam to cool
6 part of the combustor transition ducts. I'm not
7 sure whether that steam is used or not, is
8 returned or is wasted. You did not consider that
9 as far as the water implications?

10 MR. BUELL: No, we looked at simply the
11 proposed project as having the range of water
12 requirements that were identified for each of
13 those two configurations. We didn't look at the
14 specifics of the design, what led to the
15 differences in water consumption.

16 VICE CHAIRMAN ROHY: Did you consider
17 the different pipeline routes in your analysis?

18 MR. BUELL: In conducting the analysis
19 we looked at both the proposed project, G or F,
20 with the second natural gas pipeline and without a
21 second natural gas pipeline.

22 VICE CHAIRMAN ROHY: Did you come to a
23 conclusion as to whether it's preferable to have
24 one or two pipelines?

25 MR. BUELL: It was our conclusion that

1 the project without the second natural gas
2 pipeline would avoid impacts associated with that
3 pipeline to cultural and also to biological
4 resources.

5 VICE CHAIRMAN ROHY: To be specific, in
6 your discussion you just had, what is the second
7 pipeline, the three-mile line or the -- excuse me,
8 the six-mile line or the 32-mile line?

9 MS. ALLEN: Thirty-two.

10 VICE CHAIRMAN ROHY: It is the 32-mile
11 pipeline is the second pipeline?

12 MR. BUELL: Yes.

13 VICE CHAIRMAN ROHY: Thank you.

14 HEARING OFFICER VALKOSKY: Redirect, Ms.
15 Holmes?

16 MS. HOLMES: No questions.

17 HEARING OFFICER VALKOSKY: Any other
18 questions for either Ms. Allen or Mr. Buell?

19 MR. THOMPSON: I have two questions that
20 come from the cross by Mr. Ledford and the
21 Committee, if I may.

22 RE-CROSS-EXAMINATION

23 MR. THOMPSON: Number one, am I correct
24 that the Cool Water facility has been sold by
25 Southern California Edison to another entity, do

1 you know?

2 MS. ALLEN: I believe so.

3 MR. BUELL: Yes.

4 MR. THOMPSON: And that entity would be
5 a competitor of Constellation?

6 MR. BUELL: I'm not sure who bought it,
7 so I can't -- it might have been Constellation for
8 all I know who bought it.

9 (Laughter.)

10 MR. THOMPSON: No, it's not. Second of
11 all, do you have any opinion of whether or not
12 three stand-alone, 240 megawatt plants would be
13 better or worse from an environmental standpoint
14 than a single 750 megawatt plant?

15 MS. ALLEN: Are you thinking of three
16 stand-alone 240 megawatt units at the SCIA site?

17 MR. THOMPSON: Yes.

18 MR. BUELL: I'm not sure that I
19 understand the question, then. Perhaps you could
20 rephrase it? Because essentially what I
21 understand the proposal to be is three stand-alone
22 power plants.

23 MR. THOMPSON: Well, in different
24 locations, but in the same general locale.

25 MR. BUELL: In other words, a 240

1 megawatt at the proposed site, one at the Luz
2 site, and one at the Etawanda site?

3 MR. THOMPSON: Thank you, yes.

4 MR. BUELL: And the question, as I
5 understand it, is that a superior alternative to
6 the proposed project?

7 MR. THOMPSON: From an environmental
8 standpoint, if you have an opinion?

9 MR. BUELL: Without having done the
10 analysis I'm hesitant to reach a conclusion.

11 MR. THOMPSON: I understand. Thank you
12 very much, that's all I have.

13 HEARING OFFICER VALKOSKY: Ms. Reynolds.

14 VICE CHAIRMAN ROHY: No questions.

15 HEARING OFFICER VALKOSKY: Mr. Ledford.

16 MR. LEDFORD: Just I'd like to reserve
17 questions for Mr. Buell to our hearings. He had
18 referenced CEQA issues, and I think the Commission
19 knows well that I have CEQA issues, especially
20 cumulative impacts. And I've filed various
21 motions which probably weren't right, but they've
22 been effectively responded to by the Commission at
23 this time.

24 However, I think as the Commission can
25 see, water seems to interlace itself into lots of

1 these issues. And so at such time as Mr. Buell
2 testifies in the water section of this, some of
3 these other issues may come to light. I'd like to
4 reserve those questions till that time.

5 HEARING OFFICER VALKOSKY: Yes, I would
6 like to confirm my understanding that Mr. Buell
7 will, in fact, be available for the water
8 hearings. Is that a correct understanding?

9 MR. BUELL: That is my plan, to be in
10 Victorville on the 7th and 8th of October --

11 HEARING OFFICER VALKOSKY: That's
12 different from being available for the hearings.

13 (Laughter.)

14 MS. HOLMES: Mr. Valkosky, could I ask,
15 since Mr. Buell has sponsored all of the testimony
16 that he's been identified as sponsoring, I'd like
17 to know what areas he's going to be additionally
18 cross-examined in, since he's not offering any
19 more testimony into evidence.

20 HEARING OFFICER VALKOSKY: Yeah, I think
21 this -- and I certainly don't want to answer on
22 Mr. Ledford's behalf, but at our hearing on the
23 16th there were certain rather general questions
24 which, as I recall, the parties had agreed if they
25 were not within Mr. O'Hagan's or Ms. Vaughn's area

1 of expertise, perhaps Mr. Buell would be able to
2 answer them. Is that correct, Mr. Ledford?

3 MR. LEDFORD: That's generally my
4 understanding. We discussed a lot of different
5 things when he testified about the project
6 generally, and his role as project manager.

7 And --

8 HEARING OFFICER VALKOSKY: Do you have
9 anything more specific, I think is what Ms. Holmes
10 is looking for.

11 MS. HOLMES: I'm wondering about what
12 technical area he's going to be cross-examined in.
13 Is it on -- he's not offered as a water witness.
14 He's been offered as the author of project
15 description and he's testified on that. And he's
16 testified on alternatives here today.

17 I'm not sure what else he can bring as
18 an expert witness to this proceeding.

19 MR. LEDFORD: He's the project manager,
20 and as the project manager he's responsible to all
21 the other staff that prepare evidence. Also, I
22 think that he's testified that he's reviewed a
23 majority of the documents that I've submitted in
24 my various positions.

25 And I thought that we were reserving

1 issues that related to water and how those
2 different things may have been assigned, and how
3 the different positions may have been taken.

4 One piece of his testimony just a little
5 while ago was that this project should be
6 certified and that everything had been mitigated
7 to a level of nonsignificance.

8 And he was testifying about CEQA issues.
9 Most of that stuff I'm really trying to focus on
10 for when we're talking about water, and we're
11 talking about cumulative impacts, and those
12 issues. Some things he may know about, and some
13 things he may not, but --

14 HEARING OFFICER VALKOSKY: Okay. So,
15 basically then it would be, your line of
16 questioning would likely go toward Mr. Buell
17 insofar as the staff's formulation of their
18 position that the project complies with CEQA, is
19 that correct?

20 And that overall --

21 MR. LEDFORD: Well, I mean --

22 HEARING OFFICER VALKOSKY: -- all the
23 impacts are mitigated --

24 MR. LEDFORD: -- I guess overall, when
25 you look at page 477 and this particular concern

1 about Victor Valley Water District, the Mojave
2 Water Agency and that they received some
3 documentation, and they're relying on things.

4 You know, a week from now we're going to
5 be talking about what documentation was received.
6 And how much reliance that you can really have on
7 it. What do the documents say, and whether or not
8 it's an uninterruptible will-serve letter.

9 I mean we're talking about a lot of
10 those things, and some of those things are things
11 that he's directly involved in. He's certainly --

12 HEARING OFFICER VALKOSKY: Right, and as
13 I understand Ms. Holmes' concern, I mean wouldn't
14 that also be something that you could elicit from
15 Mr. O'Hagan, the water witness?

16 MR. LEDFORD: Well, I may be able to,
17 but I don't know that till --

18 MS. HOLMES: Yes, Mr. O'Hagan is
19 available to answer those kinds of questions. I
20 have two concerns. One is the impression that Mr.
21 Ledford may have that Mr. Buell is going to be
22 offering some portion of staff's water testimony
23 next Thursday or Friday. That's not the case.

24 HEARING OFFICER VALKOSKY: No, I
25 think --

1 MS. HOLMES: He's not sponsoring that
2 testimony.

3 The second concern I have --

4 HEARING OFFICER VALKOSKY: And I think
5 that is clear.

6 MS. HOLMES: -- is that there be -- I'm
7 concerned that we're moving into some sort of a
8 proceeding where staff is being cross-examined in
9 an evidentiary proceeding on some sort of process.

10 We're certainly happy to answer any
11 questions about what documents we've received and
12 what workshops were held and what process was
13 used. But I don't see those as a proper subject
14 of evidentiary hearings.

15 And perhaps I'm just making a
16 distinction that's more technical than needs to
17 be. But those are my two general concerns.

18 HEARING OFFICER VALKOSKY: Right, and I
19 understand that. I think we want to have Mr.
20 Buell available to explain generally how staff
21 formulated its position, conducted its process.

22 And, again, I'm not suggesting that
23 necessarily be testimony. I guess you could say
24 it's a closing statement, you know, in some sense.

25 MS. HOLMES: That's fine, as long --

1 that distinction, perhaps --

2 HEARING OFFICER VALKOSKY: Or a general
3 discussion, you know. Right, but I mean --

4 MS. HOLMES: The distinction is
5 important to me, but perhaps it's not to anybody
6 else.

7 HEARING OFFICER VALKOSKY: No, no, I --
8 Ms. Holmes, I understand your distinction, but I
9 mean I think, you know, we want to get the
10 information out, to the extent that Mr. Ledford
11 wishes to have someone available to talk with, to
12 discuss that with.

13 MS. HOLMES: There is -- I have
14 absolutely no problem with that.

15 HEARING OFFICER VALKOSKY: That's Mr.
16 Buell.

17 MS. HOLMES: My concern was that somehow
18 it was going to get pulled into Mr. Buell
19 testifying on water. That was my concern.

20 HEARING OFFICER VALKOSKY: It is not my
21 understanding that Mr. Buell is your expert on
22 water.

23 MS. HOLMES: Thank you.

24 MR. LEDFORD: With one final comment you
25 can shut me up so everybody can go home, I guess.

1 He has testified that based on the
2 conditions, the mitigating conditions that are
3 proposed now that he believes the project, the
4 environmental impacts of this project are being
5 mitigated to a level of nonsignificance.

6 And I hope to change his mind, and that
7 may change his testimony.

8 HEARING OFFICER VALKOSKY: Well, I guess
9 we'll have to wait and see, then.

10 MR. LEDFORD: Right.

11 HEARING OFFICER VALKOSKY: Okay, are
12 there any other questions for either Ms. Allen or
13 Mr. Buell?

14 MS. ALLEN: Mr. Valkosky, I'd like to
15 clarify an earlier part of my testimony related to
16 a couple of Mr. Ledford's questions.

17 Mr. Ledford, earlier when we were
18 discussing the Cool Water site I think you asked
19 why didn't we consider it. And I responded
20 related to our rather generalized outlook that yet
21 another site in the Mojave Desert was not going to
22 alleviate a potential impact in the water
23 resources area.

24 And Mr. Buell responded that that was
25 also true for the air quality area.

1 Our approach at that point was a rather
2 generalized look at whether there were any other
3 potentially reasonable sites in the Mojave Desert
4 area.

5 So, after settling on the Adelanto site
6 and the Luz-SEGS X site, we had two desert sites.
7 So we took a rather broad view and said we don't
8 need to do any more in the desert area, because
9 other sites probably wouldn't have a more positive
10 effect for air and water.

11 So that's why we didn't look at Cool
12 Water. When I replied rather emphatically that I
13 couldn't answer your question related to Cool
14 Water, I understood were you asking me whether the
15 Cool Water site would be better than the Adelanto
16 and Luz-SEGS X site.

17 And I responded the way I did because
18 I'm not familiar enough with the Cool Water site
19 in terms of detail about it to answer that right
20 now.

21 So the previous answer was a somewhat
22 generalized look related to the Mojave Desert. Is
23 that helpful?

24 MR. LEDFORD: I don't know. Is the
25 bottomline you don't know?

1 MS. ALLEN: The bottomline is I'm not
2 that familiar with the Cool Water site, and we
3 concluded that yet another site in the desert
4 would likely have somewhat similar air and water
5 resource impacts.

6 MR. LEDFORD: Okay.

7 HEARING OFFICER VALKOSKY: Anything
8 else, Mr. Ledford?

9 MR. LEDFORD: I think I'm done.

10 HEARING OFFICER VALKOSKY: Any other
11 questions for either Mr. Buell or Ms. Allen?

12 Ms. Holmes, any exhibits?

13 MS. HOLMES: How about their portions of
14 exhibit 82 and 83, can I please have those moved
15 into evidence at this time.

16 HEARING OFFICER VALKOSKY: Any
17 objection?

18 MR. THOMPSON: No.

19 MS. REYNOLDS: None.

20 HEARING OFFICER VALKOSKY: Okay, they
21 are so admitted.

22 (Whereupon, exhibits 82 and 83 were
23 received in evidence.)

24 HEARING OFFICER VALKOSKY: Any other
25 statements, comments from anyone here present on

1 the topic of alternatives?

2 There is none, thank you.

3 MR. THOMPSON: Mr. Valkosky, I would
4 like to recall Amy Cuellar for about 30 seconds.

5 HEARING OFFICER VALKOSKY: Ms. Cuellar.

6 MR. THOMPSON: Ms. Cuellar's been
7 previously sworn.

8 Whereupon,

9 AMY CUELLAR

10 was recalled as a witness herein, and having been
11 previously duly sworn, was examined and testified
12 further as follows:

13 BY MR. THOMPSON:

14 Q Ms. Cuellar, at the last set of hearings
15 there were questions asked of you that you
16 responded to in the area of adequate landfill in
17 the area of the High Desert Project. Do you have
18 anything to add to that testimony here today?

19 A Yes, actually I do. After the --
20 refresh my memory here real quick -- after the
21 question came up on landfill capacity we called,
22 made a contact with Russell Keenan. He is the
23 Technical Services Manager of the San Bernardino
24 County Waste Services Department.

25 He informed us that in 1996 the San

1 Bernardino County Board of Supervisors approved a
2 strategic long-term waste management plan which
3 included numerous landfill expansions and
4 development projects to insure available landfill
5 capacity well into the future.

6 Q Is that it?

7 A Yes.

8 MR. THOMPSON: That was very good.
9 Thank you very much.

10 Ms. Cuellar is tendered for cross-
11 examination in this further testimony on the
12 landfill.

13 EXAMINATION

14 HEARING OFFICER VALKOSKY: Could you
15 further specify how long well into the future is?

16 THE WITNESS: The Victorville landfill,
17 which in staff's testimony, staff's assessment,
18 had an estimated lifespan that ended in 1999.
19 It's included in this long-term management plan.
20 There is plan for a long-term expansion in excess
21 of 30 to 40 years for the Victorville landfill.

22 HEARING OFFICER VALKOSKY: Okay.

23 THE WITNESS: In addition to that, the
24 Barstow landfill, which we identified as the
25 second closest landfill, and had an estimated

1 lifespan, I believe the staff's testimony, of the
2 year 2007.

3 HEARING OFFICER VALKOSKY: I think
4 that's correct.

5 THE WITNESS: Is also included in this
6 Board-approved plan for long-term expansion well
7 in excess of 100 years.

8 HEARING OFFICER VALKOSKY: Okay. And
9 when will these expansions occur? Do you have any
10 fix on that?

11 THE WITNESS: There is, as I think I
12 stated in the last set of hearings, the
13 Victorville landfill is currently going through
14 the approval process for a short-term expansion.
15 But I don't have the estimated dates on when the
16 long-term expansion would be complete.

17 HEARING OFFICER VALKOSKY: Okay. All
18 right, any other questions? Any of the parties?

19 Thank you, Ms. Cuellar.

20 MR. THOMPSON: Mr. Valkosky, I have
21 three witness issues that I'd like to bring up for
22 the next set of hearings. And then one small
23 announcement.

24 The first is Julie Ettra and Jane
25 Valarius are both listed, are both botany

1 witnesses. And we would like to have Jane
2 Valarius sponsor all of our botany material.
3 Julie Ettra basically did technical surveys under
4 the guidance of Amy Cuellar and Jane Valarius.
5 And Jane would sponsor all that material if it's
6 okay with the Committee.

7 HEARING OFFICER VALKOSKY: Okay, so
8 again you are representing that Ms. Valarius would
9 be able to answer all the questions?

10 MR. THOMPSON: Yes, we believe she will.

11 HEARING OFFICER VALKOSKY: Any
12 objections? Okay, we'll strike Ettra from the
13 list.

14 MR. THOMPSON: The second is that Zaran
15 Rausauljevich is listed for one data request, 3-
16 68, on water reduction methods. And rather than
17 bring him up to sponsor one data request response,
18 I would like to put forth our favorite witness,
19 Mr. Barnett, to sponsor that data request. And
20 thus alleviate the necessity of bringing Mr.
21 Rausauljevich up to Victorville for the hearings.

22 HEARING OFFICER VALKOSKY: Is there any
23 objection?

24 MS. HOLMES: None for staff.

25 MS. REYNOLDS: No.

1 HEARING OFFICER VALKOSKY: Mr. Ledford?

2 MR. LEDFORD: No.

3 HEARING OFFICER VALKOSKY: Okay, we'll
4 do that substitution.

5 MR. THOMPSON: Third and lastly, and
6 this is more of a clarification, Z.M. Wally, I
7 submitted a declaration for him. He is sponsoring
8 only exhibit 36, which is the visible plume
9 experience, I guess.

10 And I submitted it because it was my
11 belief at the time that he was under the visual
12 section. And now I see he's under air quality.
13 And even though we produced a declaration, if it
14 is the sense of the Committee and the parties, I
15 think we can produce Mr. Wally, although he only
16 is testifying to that one exhibit.

17 HEARING OFFICER VALKOSKY: Would the
18 parties like to see --

19 MS. HOLMES: We have no questions for
20 that witness.

21 HEARING OFFICER VALKOSKY: Ms. Reynolds.

22 MS. REYNOLDS: Nor does CURE.

23 HEARING OFFICER VALKOSKY: Mr. Ledford.

24 Looks like the declaration will be satisfactory.

25 MR. THOMPSON: Okay, thank you. Fine.

1 Finally, I just checked a half hour ago
2 and it hasn't been filed yet, but today, the 30th,
3 we are filing three documents.

4 One is a document which is, I think I
5 called a derivation of questions, and what I did
6 is I went through Mr. Ledford's material and
7 called out a number of questions or recurring
8 themes or issues that it appeared to me contained
9 the essence of Mr. Ledford's requests that he
10 would make to the two gentlemen that he would like
11 to have subpoenas issued for.

12 And they concern issues of MWA, MWA
13 policy, VVWD, and the general structure and
14 procedures for water purveyors and storage in the
15 area.

16 What you'll see in that is the question
17 that I came out with, and then quotes out of Mr.
18 Ledford's material that I think lead to the
19 question.

20 The second document contains those same
21 questions and it is rebuttal testimony of Bob
22 Beeby, where he takes the questions that I culled
23 out and tries to answer them, so that we will have
24 that information on the record.

25 The third is a motion to exclude

1 testimony that may be proffered by Mr. Ledford in
2 the areas in the identification of witnesses whose
3 testimony we have not yet seen. In Mr. Ledford's
4 revised hearing schedule, prehearing conference
5 statement, he identifies some five or six
6 witnesses with a parentheses, I think, after their
7 names, if available.

8 And we have not seen any information on
9 these witnesses or seen any prepared testimony.
10 And this is a move to let the Committee know that
11 we would object if testimony is offered at the
12 hearings without being previously filed by these
13 individuals.

14 I fully expect this to be filed today,
15 the deadline.

16 HEARING OFFICER VALKOSKY: Okay, well,
17 it sounds like next week's hearings will be very
18 very interesting.

19 Staff, have you any supplemental
20 testimony?

21 MR. BUELL: Yes, we are filing, and I
22 have given copies to the parties here today, of
23 rebuttal testimony to Mr. Gary Ledford's direct
24 water testimony that's being filed today.

25 We have some additional errata to the

1 air quality condition of certification. I believe
2 it's Air AQ 17.

3 We also have refiled, I think is one way
4 of characterizing it, our water testimony. The
5 purpose is to incorporate errata that we had
6 identified, editorial changes to make the water
7 testimony more understandable and complete, or
8 correct errors that we had identified. And that's
9 being filed today. And it incorporates all the
10 errata that we had previously filed on water, so
11 it will all be in one place. We thought that
12 would be an easier way of dealing with it, rather
13 than a separate page where you had maybe ten pages
14 of replace is with are, et cetera.

15 HEARING OFFICER VALKOSKY: Okay, and you
16 did state that you provided all of the parties
17 with a copy of that today, so they don't have to
18 wait for it in the mail?

19 MR. BUELL: Yes, right.

20 HEARING OFFICER VALKOSKY: If you could
21 provide the Committee a copy, too, it would be
22 most appreciative.

23 MR. BUELL: I suspect that's being taken
24 care of as we speak.

25 One other matter that I'll bring to your

1 attention is I'd received a call from Mr. Randy
2 Hill representing the Victor Valley Water District
3 earlier this week, identifying that he had reached
4 agreement with the Applicant for a water
5 agreement, on an agreement to supply water for the
6 project.

7 And Mr. Hill is trying to get me a copy
8 of that. We would intend to distribute that to
9 parties as I have it available. And Mr. Hill has
10 informed me that he'd like to present that at the
11 hearing on the 7th or 8th, as the case may be.

12 HEARING OFFICER VALKOSKY: Okay, we'll
13 add Mr. Hill to our agenda for the 7th. I'm
14 optimistic that we'll at least broach the water
15 subject on the 7th.

16 Okay, now as I have it, our agenda for
17 the 7th and continuing to the 8th, we'll start
18 with CURE's witness Hughes on socioeconomics.
19 We'll then proceed with air quality, biology,
20 water, dry cooling issues.

21 Now is that what everyone else
22 understands?

23 MR. THOMPSON: Yes, sir.

24 HEARING OFFICER VALKOSKY: Okay. Mr.
25 Ledford.

1 MR. LEDFORD: A little housekeeping
2 issues, also. I have talked to High Desert Power
3 and to staff and to CURE relative to serving them
4 with parts of the basic EIS, and I believe that
5 they all agree that if I Federal Express that on
6 Monday and they receive it on Tuesday, then that
7 would be ample opportunity.

8 HEARING OFFICER VALKOSKY: If that is in
9 fact the case, that would be acceptable, is that
10 so?

11 MR. THOMPSON: I'm not sure we used the
12 word ample, but acceptable is probably --

13 HEARING OFFICER VALKOSKY: Acceptable.
14 Okay, we'll expect that to happen then.

15 MR. LEDFORD: And I have a commitment to
16 do my best to keep it as short as I can.

17 So I understand the rules, because
18 obviously I don't always understand the rules. On
19 the motion to exclude, I have a number of
20 witnesses that I have identified that would
21 testify if they were available.

22 Basically these witnesses would testify
23 as rebuttal type testimony to testimony that we
24 have not heard, or I have not seen, which would
25 include things like what they're filing today.

1 And since I can only speculate as to
2 what that might be, I have attempted to make some
3 of these witnesses available and notify them. So,
4 as opposed to introducing something new, the
5 purpose of those witnesses would be to offer
6 rebuttal testimony.

7 HEARING OFFICER VALKOSKY: Okay.

8 MR. LEDFORD: Also, there's an awful lot
9 of paperwork that's being generated, both at the
10 MWA and also at various other agencies that will
11 probably want to come in as exhibits in evidence.

12 The Randy Hill reaching an agreement
13 with High Desert Power Project is, there is some
14 type of an agreement. There's also minutes of the
15 meetings and other things that may clarify as to
16 what different people think about it.

17 There are going to be precise
18 transcription of those meetings and I think they'd
19 be important to understand where the boards think
20 they're going, and what they think the meaning of
21 the agreement is that may be presented.

22 So I'd like to just -- I'd just like--

23 PRESIDING MEMBER LAURIE: Mr. Ledford,
24 in --

25 MR. LEDFORD: -- to alert everybody that

1 there's other exhibits. While we were supposed to
2 file our exhibits by a certain date, there's other
3 things that are being generated that have dates
4 post that date that just weren't available at that
5 time.

6 PRESIDING MEMBER LAURIE: If it's your
7 intent to offer testimony as to the view of
8 individual board members of various agencies,
9 please come prepared to offer relevancy
10 foundations for that.

11 Because I, for one, will have questions
12 as to the relevancy of the individual mindset of
13 board members, as opposed to official agency
14 action.

15 So, that will be an issue that I will
16 seek to address.

17 MR. LEDFORD: That's fine.

18 HEARING OFFICER VALKOSKY: Any other
19 closing comments?

20 I'd just like to clarify. There will,
21 of course, be no hearing today -- or tomorrow,
22 excuse me, since we've -- no, today is official --
23 since we've concluded the agenda.

24 The hearings in Victorville will take
25 place on the 7th and 8th beginning at 9:00 a.m.

1 Adjourned till then. Thank you.
2 (Whereupon, at 4:00 p.m., the hearing
3 was adjourned, to reconvene at 9:00
4 a.m., Thursday, October 7, 1999, in
5 Victorville, California.)

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CERTIFICATE OF REPORTER

I, DEBI BAKER, an Electronic Reporter,
do hereby certify that I am a disinterested person
herein; that I recorded the foregoing California
Energy Commission Hearing; that it was thereafter
transcribed into typewriting.

I further certify that I am not of
counsel or attorney for any of the parties to said
hearing, nor in any way interested in the outcome
of said hearing.

IN WITNESS WHEREOF, I have hereunto set
my hand this 6th day of October, 1999.

DEBI BAKER

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